

1 SECTOR OPERATIONS PLAN AND AGREEMENT

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3 This NORTHEAST FISHERY SECTOR OPERATIONS PLAN AND AGREEMENT (this “Agreement”) is entered  
4 into as of March 27, 2018 (the “Effective Date”), by and among IX Northeast Fishery Sector, Inc. (“NEFS  
5 IX”) and each of the Sector members identified on the attached Exhibit B.

6 Recitals

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

12 B. The parties to this Agreement wish to form a self-selecting voluntary sector under Amendment 16 and  
13 to do so are voluntarily entering into this Agreement for **Fishing Year 2018 (May 1, 2018-April 30,**  
14 **2019)**.

15 C. NEFS IX acknowledges that it is responsible for “paying back” overages of witch flounder in light of the  
16 activities of one of its members in previous fishing years. NEFS IX further acknowledges that a majority of  
17 the permits previously enrolled in NEFS IX have enrolled in VII, Northeast Fishery Sector Inc. (“NEFS VII”)  
18 for FY 2018. NEFS VII and NEFS IX have been proactively working to secure FY 2017 ACE to account for  
19 the witch flounder overage incurred by NEFS IX. NEFS IX may participate in the post year transfer of fishing  
20 2017 ACE to balance the overages following the end of FY 2017. Additionally, NEFS IX acknowledges that  
21 in the event the overage cannot be fully satisfied in FY 2017, NEFS VII has agreed to hold in reserve and  
22 transfer FY 2018 fish to NEFS IX to account for any withch flounder not accounted during the FY 2017  
23 reconciliation process.

24 Agreement

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

1                   1. Sector Name. The organization described under this Agreement shall be called the IX  
2 Northeast Fishery Sector, Inc. This is a non-profit organization incorporated in Massachusetts on May 26,  
3 2009 and therefore may be held liable for violations committed by its members.

4                   2. Sector Eligibility and Membership. To be eligible to be a member of the Sector, a person  
5 must hold a Limited Access Northeast multi-species permit and meet all other Sector eligibility  
6 requirements as established from time to time by the Sector’s Board of Directors (the “Board”). Any  
7 person wishing to become a Sector member must submit an application no later than sixty (60) days prior  
8 to the annual deadline by which Sector contracts must be submitted to NMFS. Sector membership shall  
9 be effective upon admission of a member by the Board and acceptance by execution by such member of  
10 the Sector’s Membership Agreement. Subject to the automatic renewal provisions of Section 12 below,  
11 and the disciplinary expulsion provisions of Section 13 below, Sector membership shall expire at the  
12 conclusion of each fishing year, unless renewed by the Board in accordance with the Sector’s Bylaws and  
13 this Agreement. The Sector’s members (the “Members”), such Members’ “Limited Access Multispecies  
14 Permit” (LA MS) as identified by its “Moratorium Rights Identifier” (MRI), and the vessels that will harvest  
15 the Sector’s Amendment 16 allocations are identified on the attached **Exhibit B**, which may be amended  
16 from time to time in accordance with this Agreement and the Sector’s Bylaws.

17                   2.1. Rule of Three Requirement: Amendment 16 to the NE multispecies FMP  
18 defines a sector as a group of three or more persons, none of whom have an ownership interest in the  
19 other two persons in the sector. This criterion has been fulfilled with permit # 330386 under the distinct  
20 ownership of Carlos Rafael, permit # 320655 under the distinct ownership of Atlantic Warrior Inc., and  
21 permit # 215016 under the distinct ownership of Bay Fuels Inc.

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

25                   4. Sector Allocation and Exemptions. Each Member shall take all actions and execute all  
26 documents necessary to obtain the Sector’s Amendment 16 annual catch entitlement (“ACE”). The Sector  
27 shall request all universal administrative exemptions granted to sectors under Amendment 16 and relating  
28 multispecies implementing regulations; and any special exemptions the Board deems appropriate. The  
29 additional exemptions requested by the Sector are identified on the “Harvesting Rules” attached hereto  
30 as **Exhibit A**.

1                   5. Distribution of Sector ACE. Each Member acknowledges that the Sector's ACE is  
2 composed of allocations for each species of Northeast multispecies groundfish allocated by Amendment  
3 16 (each such species being an "Allocated Species"), and any subsequent Framework or Amendment.  
4 Subject to the terms and conditions of this Agreement, each Member shall be entitled to transfer an  
5 amount of the Sector's ACE, as adjusted by the Sector for retainages including but not limited to the  
6 Reserve, for each Allocated Species proportionate to the amount of ACE for such species that the Sector  
7 receives as a result of such Member's membership in the Sector. The amount of Sector ACE a Member  
8 may transfer, as adjusted by transfers and Sector retainages including but not limited to the Reserve,  
9 made in accordance with this Agreement, is referred to hereafter as a Member's "Harvest Share." Each  
10 Member may transfer its Harvest Share only under the terms and conditions of this Agreement and in  
11 compliance with the restrictions imposed by the Manager (as defined below), the Enforcement  
12 Committee (as defined below) and the Board in accordance with this Agreement. Any other attempted  
13 transfer of a Member's Harvest Share shall be a breach of this Agreement.

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

23                   6.1. Communication with Sector. The Manager is the primary point of contact for  
24 all communications on behalf of the Sector and all communications regarding NEFS IX should be directed  
25 accordingly. In addition to the Sector Manager Paula Sullivan is authorized to act on behalf of the Sector.  
26 At the time in which this Agreement is entered into, the Board of Directors are as follows:

27                                   President: Virginia Martins  
28                                   Treasurer: Anne Jardin-Maynard  
29                                   Clerk: Cassie Canastra

1 Director: Virginia Martins, Raymond Canastra, Cassie Canastra, Anne  
2 Jardin-Maynard, Tor Bendikson, Dan Georgianna, John Reardon

3 In the event that the Board of Directors is modified, the Sector will notify NMFS of such modifications.

4 7. Consolidation Plan. The Sector is being authorized as a lease only sector for FY 2018.

5 7.1. Harvest Share Reserve. No Reserve is required for FY 2018. Sector Members  
6 will not harvest sector ACE. The sector manager will utilize Inter and Intra sector transfers to move ace  
7 between members and to fully utilize the ACE allocated to the Sector.

8 7.2. Harvest Share Use. This Sector is comprised of non-active Members only, who  
9 are not authorized to harvest Sector ACE, including without limitation, their own Harvest Share. Members  
10 may transfer (lease) harvest share between members and the sector manager will execute transfers of  
11 sector ACE through inter-sector leasing. Additionally, the sector may participate in the post-year transfer  
12 of fishing year 2017 ACE to balance overages following the end of fishing year 2017.

13 7.3. Harvest Share Transfer. Subject to the terms and conditions of this  
14 Agreement, each Member may transfer some or all of such Member's Harvest Share to one or more Active  
15 Member(s) on such terms and conditions as the transferor Member and the transferee Active Member(s)  
16 may agree. No transfer of a Member's Harvest Share shall become effective until the Manager has  
17 received actual notice of such transfer. No Member may transfer any portion of such Member's Harvest  
18 Share, or interest in the Sector's ACE, to any person other than an Active Member unless the Board first  
19 authorizes such transfer in writing. Any such transfer shall be subject to such terms and conditions as the  
20 Board may adopt from time to time, including but not limited to establishment of procedures to  
21 implement a Right of First Offer (the "ROFO") that is extended to Active Members of the Sector, Active  
22 Members of other Northeast Fishery Sectors, and certain other parties in accordance with the terms and  
23 conditions established by the Board. Without limiting the foregoing, the Sector Board of Directors may  
24 condition, review, approve and restrict transfers of Harvest Shares to non-Members as it deems necessary  
25 to promote the harvest of the Sector's entire ACE allocation and ensure that the Sector's management  
26 and administrative costs can be recouped through reasonable Sector membership fees established by the  
27 Board.

28 Sector Members enrolled in NEFS IX are enrolled as Non-Active Members and NEFS IX is seeking  
29 authorization as a "Lease Only Sector." Non-Active Members shall:

- 1 • Not fish in any ACE-accountable fishery
- 2 • Participate only as a transferor with regards to transfer of such member's
- 3 Harvest Share withing the Sector.
- 4 • Not have the Rights of First Offer on Sector Member Harvest Share and
- 5 related Sector ACE extended to Active Members, which may be adopted or
- 6 amended from time to time by the Board under Section 7.3, and shall not
- 7 have the Right of First Refusal on Permits extended to Active Members,
- 8 which may be adopted or amended from time to time by the Board under
- 9 Section 15.

10 7.4. Harvesting Rules and Fishing Plan. The Board may from time to time adopt  
11 such restrictions on harvest of the Sector's ACE as the Board deems necessary to ensure the Sector's  
12 compliance with Amendment 16 and related implementing regulations (such restrictions referred to  
13 hereafter as "Harvesting Rules"). While all members enrolled are designated as Non-Active members, and  
14 therefore prohibited from harvesting Sector ACE, they are bound by any and all provisions in the  
15 Harvesting Rules that are applicable to all members. The Harvesting Rules are set forth on Exhibit A.

16 7.5. Re-direction of Effort. During FY 2016, NEFS IX vessels switched fishing efforts  
17 into the follow fisheries:

- 18 • Fishery: Scallop (Gear: Dredge)

19 During the first quarter of FY 2017, NEFS IX vessels switched fishing effort into the following fisheries:

- 20 • Fishery: Scallop (Gear: Dredge)

21 During FY 2018, NEFS IX anticipates no redirection of effort will take place, since NEFS IX will be operating  
22 as a lease only Sector. However, NEFS IX may seek approval from NMFS to operate as an active sector in  
23 FY 2018, and if such approval is granted they anticipate a similar redirection of effort as seen in FY 2015  
24 & 2016.

25 7.6. Sector Vessel Interactions with Allocated Species in Non-Amendment 16  
26 Fisheries. Not Applicable since there will be no-active vessels in FY 2018

27 7.7. Consolidation and Redistribution of ACE: For FY 2018, the NEFS IX sector has  
28 3 permits currently enrolled. Of those none of these permits are anticipated to actively fish for NE  
29 Multispecies in FY 2018, unless NMFS approves a new or amended operations plan that allows fishing.  
30 NEFS IX expects that there would be a net consolidation beyond what previously occurred among the

1 NEFS IX as the share of ACE contributed by member permits will not be fished by any vessels. Sector  
2 members intend to utilize sector management to mitigate consolidation that may occur.,

3           8. Release of Catch Data. Pursuant to section 402(b)(1)(F) of the Magnuson-Stevens  
4 Fishery Conservation and Management Act, 16 U.S.C. § 1881a(b)(1)(F), the undersigned hereby authorizes  
5 the release to the Manager, and/or designated sector employee(s) of the IX, Northeast Fishery Sector Inc.,  
6 the Program Director of the Northeast Sector Service Network, and the FishTrax Programmer,  
7 information that may be or is considered to be confidential or privileged by the Magnuson-Stevens Act or  
8 other federal law regarding the catch of various species of fish associated with the limited access  
9 Northeast multispecies permit with the Moratorium Right Identifiers (MRIs) enrolled in the Sector  
10 submitted to the National Marine Fisheries Service that the undersigned has authority to access. This  
11 information includes data required to be submitted or collected by NMFS, on an individual MRI and/or  
12 aggregated scale, including but not limited to days-at-sea allocation and usage, vessel trip reports, dealer  
13 reports, Northeast Federal Observer Program data, catch and landings history data for all species  
14 harvested by the vessel/MRI, Sector at-sea monitoring data, protected species takes/interactions,  
15 enforcement data, vessel baseline data (length, horsepower, etc), VMS information, and all other  
16 information associated with the vessel, MRI #, and/or permit records. In addition, this information  
17 includes data for species not managed under the multispecies FMP.

18 All confidential Sector data may be released to the Sector Manager, and/or designated sector  
19 employee(s), the Program Director of the Northeast Sector Service Network, and the FishTrax  
20 Programmer. This statement applies to all confidential data for a one-year time period encompassing FY  
21 2018.

22           9. Catch Monitoring and Reporting. Each Member's transfer of Sector ACE shall be  
23 calculated and tabulated in accordance with the catch accounting measures established by NMFS with  
24 respect to the Sector's ACE. Absent manifest error, the catch and delivery information produced by the  
25 Manager shall be presumed accurate, and absent manifest error, each Member's obligations under this  
26 Agreement and all related documents may be enforced to their fullest extent on the basis of such  
27 information.

28           10. Breach and Remedies for Breach. The benefits associated with Sector membership will  
29 only accrue to the Members if each of them strictly complies with this Agreement. Each Member will  
30 make significant operational and financial commitments based on this Agreement, and any Member's  
31 failure to fulfill any of its obligations under this Agreement could have significant adverse consequences

1 for some or all other Members. Any failure by a Member to fulfill any of its obligations under this  
2 Agreement shall constitute a breach of this Agreement. Each Member shall be bound by the procedures  
3 set forth in this Section for determining whether a Member has breached this Agreement. The Sector  
4 shall be entitled to the remedies set forth in this Section if a Member is determined by the Sector to have  
5 breached this Agreement. Each Member shall take all actions and execute all documents the Manager  
6 deems necessary or convenient to give effect to the provisions of this Section.

7                   10.1. Liquidated Damages Schedule and Schedule Amendments. Not Applicable  
8 since there will be no-active vessels in FY 2018

9                   10.2. Enforcement Committee. Not less than one hundred twenty (120) days prior  
10 to each annual Northeast multispecies groundfish season opening date (the "Season Opening Date"), the  
11 Manager shall call a meeting of the Board to appoint the Enforcement Committee for the upcoming year,  
12 and to address any other matters of Sector business properly before the Board. The Board shall meet for  
13 those purposes not less than ninety (90) days prior to the Season Opening Date, and at such meeting shall  
14 appoint an Enforcement Committee composed of five (5) persons. If the Board fails to do so, the Manager  
15 shall appoint the Enforcement Committee. The Enforcement Committee shall assist the Manager in  
16 setting and updating the liquidated damages amounts for breaches of this Agreement and shall hear and  
17 decide Members' appeals of the Manager's contract breach determinations and liquidated damages  
18 assessments.

19                   10.3. Liquidated Damages Base Value and Multiplier Adoption. Not Applicable  
20 since there will be no-active vessels in FY 2018

21                   10.4. Liquidated Damages Base Value and Multiplier Adoption. Not Applicable  
22 since there will be no-active vessels in FY 2018

23                   10.5. Liquidated Damages Calculation. Not Applicable since there will be no-  
24 active vessels in FY 2018

25                   10.6. Notice to Vessel Masters; Assumption of Liability. Not Applicable since  
26 there will be no-active vessels in FY 2018

27                   10.7. Security. The Board may require that a Member that has two (2) or more  
28 NMFS fishing regulation violations, or which has breached this Agreement or another sector's operations  
29 plan on two (2) or more occasions, post a bond or obtain a letter of credit securing such Member's

1 payment and performance obligations under this Agreement in such amounts as the Board deems  
2 appropriate, or may require such Member to personally guaranty, and/or have other Members or third  
3 parties personally guaranty, such Member's payment and performance obligations under this Agreement.

4           10.8. Manager Action in Response to Apparent Breach. The Manager shall monitor  
5 the Members' compliance with the terms and conditions of this Agreement. If the Manager becomes  
6 aware of an apparent breach of this Agreement by a Member, the Manager shall investigate the matter,  
7 and if the Manager concludes that a Member has breached this Agreement, the Manager shall notify such  
8 Member of the apparent breach and (if such breach is reasonably susceptible of cure) provide such  
9 Member with an opportunity to cure the breach. If such Member fails to demonstrate to the Manager,  
10 in the Manager's sole and absolute discretion, that no breach occurred, or to cure the breach within the  
11 time period directed by the Manager, taking into account the magnitude of the breach and the potential  
12 consequences of the breach for the Sector and the other Members, the Manager shall notify the Member  
13 in writing that the Manager is referring the alleged breach to the Enforcement Committee, and shall notify  
14 the Enforcement Committee in writing of the alleged breach and the proposed liquidated damages.  
15 Pursuant to Section 14, below, if during the investigation, notice and cure period described above, the  
16 Manager concludes it is necessary for the protection of the interests of the Sector and its Members, the  
17 Manager may issue a "Stop Fishing Order" to the Member in apparent breach, and if such Member fails  
18 to cause the vessels harvesting its Harvest Share to immediately stop fishing, the sector manager may  
19 take any action he/she deems necessary including without limitation, self-help or court action which may  
20 include the seeking of injunctive relief.

21           10.9. Member Appeals. A Member receiving notice of an alleged breach and  
22 proposed damages shall have five (5) days from the date that the Member receives the notice to request  
23 an appeal hearing before the Enforcement Committee. If a Member fails to request a hearing within such  
24 5-day appeal period, the Member's right of appeal shall expire, the Member shall be deemed to have  
25 breached this Agreement in accordance with the Manager's determination, and the Member shall be  
26 obligated to pay the related damages. If a Member timely requests an appeal hearing, the Manager shall  
27 consult with the Enforcement Committee and schedule an Enforcement Committee meeting for that  
28 purpose. The Enforcement Committee shall make reasonable efforts to schedule the meeting at a time  
29 and place such that the Member requesting the appeal is able to attend, and shall provide the Member  
30 with at least thirty (30) days advance written notice of the time and place of the meeting. At such meeting,  
31 the Enforcement Committee shall provide the Manager with an opportunity to present evidence of the



1 apparent breach, and shall provide the Member in apparent breach with a reasonable opportunity to  
2 rebut such evidence. The catch and delivery data produced by the Manager shall be presumed accurate,  
3 and, absent manifest error, each Member's obligations under this Agreement and all related documents  
4 may be enforced to their fullest extent on the basis of such data. If the Enforcement Committee  
5 determines that a Member breached an Agreement, the Sector shall have the right to collect from such  
6 Member the liquidated damages amount provided for such breach under the Agreement.

7                   10.10. Voluntary Compliance. In connection with breaches of this Agreement for  
8 which a Member is liable to the Sector or other Sector Members for damages, the Sector shall provide the  
9 breaching Member fifteen (15) days prior notice of its intent to exercise its rights of collection, during  
10 which period the Member may propose an alternative method of compensating the Sector and other  
11 Sector Members for the damages suffered as the result of such Member's breach. The Enforcement  
12 Committee may approve or disapprove any alternative form of compensation in its sole discretion,  
13 provided that if the breach at issue is an overharvest of a Member's Harvest Share, there shall be no  
14 liquidated damages imposed if the Member in breach obtains sufficient Harvest Share from other  
15 Members to offset the overharvest, and tenders conclusive evidence to that effect to the Enforcement  
16 Committee. Such Member shall nevertheless remain liable for the costs and fees incurred by the Sector  
17 in connection with the alleged breach, and the Sector shall be entitled to collect such costs and fees if  
18 such Member fails to pay the same within ten (10) days of receiving the Sector's demand for payment.

19                   10.11. Liquidated Damages Collection and Related Expenses. If a Member fails to  
20 resolve a breach of this Agreement through voluntary compliance measures approved by the Enforcement  
21 Committee and performed by such Member on a timely basis, the Member in breach shall pay the  
22 damages amount assessed by the Sector within ten (10) days of the end of the voluntary compliance  
23 period described in Section 10.10, above. Damage amounts not paid when due shall accrue interest at a  
24 rate of interest equal to the prime rate of interest announced by Bank of America, or such other bank as  
25 the Board may select from time to time, as of the last day of the voluntary compliance period plus twelve  
26 percent (12%). If a Member fails to pay the damages amount assessed by the Enforcement Committee  
27 with interest within thirty (30) days of the end of the voluntary compliance period described in Section  
28 10.10, above, the Sector may pursue legal action to collect the liquidated damages. In addition to  
29 damages, the Sector shall be entitled to all fees, costs and expenses, including attorney's fees, actually  
30 incurred by the Sector in connection with any action to collect liquidated damages from a Member in  
31 breach of an Agreement, whether or not the Sector prevails in such action.

1                   10.12. Consequential Damages for Gross Negligence or Willful Misconduct. In  
2 addition to the liquidated damages imposed under this Section 10, each Member shall be liable for  
3 consequential damages in connection with a breach of this Agreement resulting from the Member's gross  
4 negligence or willful misconduct.

5                   10.13. Distribution of Damages. Where a Member's breach causes one or more  
6 other Members to harvest less than their Harvest Share, damages awarded to the Sector under this  
7 provision shall first be distributed *pro rata* among the Members whose harvest was reduced, with each  
8 such Member receiving a fraction of such funds, the numerator of which is the amount by which such  
9 Member's catch was less than that Member's allocation or apportionment, and the denominator of which  
10 is the sum of the aggregate amount of by which all Members' allocations or apportionments were reduced  
11 as a result of the breach, up to the amount of loss suffered by each such Member as the result of the  
12 breach. Any damages awarded to the Sector in excess of those distributed to other Members under this  
13 Section, and any damages awarded in connection with a breach which does not cause any other Member's  
14 allocation or apportionment to be reduced, shall be retained by the Sector and applied to the costs of  
15 Sector operations.

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

25 In consideration of the foregoing, each Active Member agrees to indemnify, defend and hold the Sector  
26 and all other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of  
27 any nature whatsoever arising out of or related to any breach of this Agreement related to such Active  
28 Member's harvest of Sector ACE, and each Member agrees to indemnify, defend and hold the Sector and  
29 the other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of any  
30 nature whatsoever arising out of or related to such Member's breach of this Agreement. Each Member's  
31 indemnification obligation under this Section 11 is separate from and in addition to each Member's

1 liquidated damages and consequential damages obligations under Section 10, above. Each Member  
2 authorizes the Board to require that a Member's obligations under this Section 11 be secured by a surety.  
3 Since NEFS IX is being authorized as a "lease only sector" and its members are designated as Non-Active  
4 there is no indemnification by Active Members for their activities.

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

13 Subject to the provisions of this Section 12 regarding withdrawal prior to the Effective Date, above, a  
14 Member that is eligible to terminate such Member's Sector membership may do so only by providing  
15 written notice to that effect to all other Members on or before May 1, 2018, or such date as the Board  
16 may from time to time establish for that purpose (the "Termination Date") each fishing year. A Member  
17 that fails to provide such notice by the Termination Date shall be deemed to have automatically renewed  
18 its Sector membership for the following year, and all other Members shall be entitled to act in reliance on  
19 such renewal accordingly. If any Member provides a membership termination notice by the Termination  
20 Date, each of the other Members shall have ten (10) days from the date they receive such notice to  
21 terminate their membership as well, notwithstanding the Termination Date notice deadline. Termination  
22 of membership in the Sector shall be effective as of the final day of the current fishing year.

23 If a Member is in breach of this Agreement or has outstanding Sector payment or performance obligations  
24 as of the Termination Date, unless the Board takes action to terminate such Member's membership, such  
25 Member's membership shall be deemed renewed for the following year, notwithstanding any notice of  
26 withdrawal such Member may give, and the Sector shall have the authority to file an application for a  
27 Sector allocation including such Member as a Member of the Sector. Each Member hereby grants the  
28 Sector a power-of-attorney, coupled with an interest, for such purposes, and authorizes each of the  
29 Sector's officers to take any and all actions and execute any and all documents necessary or convenient  
30 to give effect to this provision.

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

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

20           14. Stop Fishing Order; Injunctive Relief. Sector members may be held jointly and severally  
21 liable if (a) a Sector exceeds its ACE, (b) a Sector member discards legal-sized fish, or (c) a Sector member  
22 misreports landings or discards. If a Sector exceeds its ACE in a given fishing year, the Sector's allocation  
23 may be reduced by the overage from a future fishing year's allocation, and the Sector, each vessel, and  
24 vessel operator and/or vessel owner participating in the Sector may be jointly and severally liable for civil  
25 penalties and permit sanctions pursuant to 15 C.F.R. Part 904 in connection with such overage. In  
26 addition, if a Sector exceeds its ACE in more than one (1) fishing year, NMFS may permanently reduce the  
27 Sector's ACE or withdraw the Sector's authorization to operate.

28 A Member's overharvest of its Harvest Share under a prior fishing year's Agreement would be a breach  
29 of this Agreement or the prior fishing year's Agreement for which a Member would be liable for damages.  
30 Because each incident of ACE overharvest would constitute a separate violation of the Amendment 16  
31 regulations, and because each such incident would be treated as a prior violation by NMFS for purposes

1 of determining appropriate fines, penalties and forfeitures in connection with a subsequent violation, the  
2 damages suffered by the Sector as a result of an overharvest by one or more Members that resulted in  
3 the Sector overharvesting its ACE would be consequential and irreparable.

4 In consideration of these circumstances, and in consideration for the Sector waiving its right to require  
5 each Member to obtain a security bond or pledge collateral to secure its obligation to the Sector to limit  
6 its harvest of Sector ACE to such Member's Harvest Share, which consideration each Member agrees it  
7 has received and is sufficient, the Members hereby agree as follows. The Member shall be liable to the  
8 Sector for all losses, costs, damages, fees and expenses incurred by the Sector in connection with  
9 enforcement, including but not limited to, the costs of obtaining any bond the Sector may be required to  
10 post, whether or not the Sector prevails.

11           15. Permit Transfer/Sale. A Member may transfer a Permit to a party other than a Member,  
12 subject to a Right of First Refusal (the "ROFR"), which may be adopted or amended from time to time by  
13 the Board, in favor of **Active Members** of the Sector, **Active Members** of other Northeast Fishery Sectors,  
14 and certain other parties. No Member may transfer such Member's "LA MS" permit or "MRI" permit to a  
15 person who is not an **Active Member** unless such person assumes all of the transferring Member's  
16 obligations under this Agreement as of the effective date of such transfer. A person other than a Member  
17 who receives a Member's "LA MS" permit or "MRI" permit from a Member in accordance with this Section  
18 15 (a "Transferee") shall only be eligible to participate in the Sector for the balance of the fishing year  
19 during which the transfer occurs, and thereafter may only remain a Sector Member if such Transferee  
20 applies for and is admitted to Sector membership in accordance with Section 2, above.

21           15.1. The Transferee shall be deemed a **Non-Active Member** of the Sector, with  
22 no rights to harvest any Sector ACE, including but not limited to the ACE allocated to the Sector in  
23 connection with the assets acquired under the Permit Offer. A Transferee wishing to acquire **Active**  
24 **Member** status during the fishing year in which the permit transfer occurred must submit a written  
25 request to the Board for consideration. The Board will have the authority to approve, conditionally  
26 approve or deny such request. However, since NEFS IX is being authorized as a lease only sector, the Board  
27 will not grant Active status in the event of a permit transfer.

28           16. Release and Waiver of All Claims against Sector Manager; Indemnification and Hold  
29 Harmless. Each Member acknowledges that the effectiveness of this Agreement depends on the Manager  
30 exercising reasonable independent business judgment in good faith in reviewing and approving or

1 disapproving Members' fishing plans, monitoring harvest of the Sector's ACE, and enforcing the terms and  
2 conditions of this Agreement. Each Member hereby waives and releases any and all claims against the  
3 Manager arising out of or relating to Manager's performance under this Agreement, other than those  
4 arising solely from the gross negligence or willful misconduct by the Manager, as conclusively determined  
5 by a court of final and competent jurisdiction. The Sector and the Members agree to jointly and severally  
6 indemnify, defend and hold the Manager harmless from and against any third party claims, damages,  
7 fines, penalties and liabilities of any kind whatsoever asserted against the Manager in connection with the  
8 Manager's performance under this Agreement, other than those arising out of gross negligence or willful  
9 misconduct by the Manager.

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

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

21 The party's written request for arbitration shall include the name of the arbitrator selected by the party  
22 requesting arbitration. The respondent party shall have ten (10) days to provide written notice of the  
23 name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two  
24 arbitrators will jointly select a third arbitrator within ten (10) days. If the other party does not timely  
25 select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3)  
26 arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Any arbitrator  
27 must have no material ties to the Sector or any Member. The decision of the arbitrator (or in the case of  
28 a three (3) arbitrator panel, the decision of the majority) will be final and binding. The arbitration will be  
29 conducted under the rules of (but not by) the American Arbitration Association. The parties will be  
30 entitled to limited discovery as determined by the arbitrator(s) in his, her or their sole discretion. All costs  
31 of arbitration shall be borne by the party requesting the same. Each party shall bear its own costs of

1 preparation and presentation, unless, in the case of the Sector, the Board determines to assess such costs  
2 to the applicable Member, which costs shall be immediately due and payable. In no event will arbitration  
3 be available pursuant to this paragraph after the date when commencement of such legal or equitable  
4 proceedings based on such claim, dispute, or other matter in question would be barred by an applicable  
5 statute of limitations.

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

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

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

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

1 **EXHIBIT A: HARVESTING RULES FOR FY 2018**

2 *The Members and the Participating Vessels of IX Northeast Fishery Sector, Inc., agree to be legally bound*  
3 *to follow the Harvesting Rules for Fishing Year 2018 (May 1, 2018 to April 30, 2019) as described herein,*  
4 *in accordance with all provisions of the Sectors Operations Plans and Agreement (herein "Agreement"),*  
5 *notwithstanding those rules and regulations applicable to the common pool Multispecies vessels. The*  
6 *Members and the Participating Vessels will not harvest Sector ACE or engage in other fishing activity for*  
7 *the Fishing Year 2018. The Sector ACE will only be utilized through Inter-Sector ACE transfers .*

8 **1. ANNUAL CATCH ENTITLEMENT:** The members agree that they will not collectively lease/transfer more  
9 than the Sector Annual Catch Entitlement, allocated by NMFS to NEFS IX for FY 2018, as adjusted by  
10 transfers, for any allocated groundfish stocks.

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

13 **3. DAYS AT SEA:** Each participating permit and participating vessel will be allocated Days-At-Sea (DAS)  
14 by the Regional Administrator. Sector Member permits will not be subject to the DAS reduction in  
15 Amendment 16 for common pool vessels. Members will be required to use a DAS, as specified in  
16 controlling FMPs, when conducting fishing operations that are not exempted from DAS usage, for  
17 example, when fishing under a monkfish DAS.  
18

19 **4. VESSEL LOGBOOKS (VTRs/e-VTR):** All sector members will comply with applicable reporting  
20 requirements including submission of Vessel Trip Reports (VTRs). If Electronic Vessel Trip Reports (e-  
21 VTRs) are approved by the Regional Administrator, Sector Members will submit e-VTRs in the format  
22 required by GARFO. Sector Members will execute all documents necessary to meet legal requirements  
23 for the purpose of facilitating e-VTR service.  
24

25 **5. WEEKLY/DAILY REPORTS:** The Sector Manager, or his/her designated representative, will submit  
26 weekly or daily Sector Reports of all landings and discards by sector vessels, to NMFS. The Sector will  
27 submit required reports, using the format and procedures prescribed by NMFS. The reports required  
28 by NMFS are the *Sector Manager ACE Status Report, Sector Manager Detailed Report, and Sector*  
29 *Manager Trip Issue Report* as codified in §648.87(b)(1)(vi)(B). Specifically, the *Sector Manager*  
30 *Detailed Report* provides information down to the sub-trip level about each sector trip for a given  
31 week, regardless of completeness of the data. The information includes stock, gear, mesh categories,  
32 landing amounts, discards and total catch. The *Sector Manager Trip Issue Report* provides information  
33 about the sector trips for a given week that have enforcement or other issues. The *Trip Issue Report*  
34 allows the sector to briefly describe to NMFS any enforcement or reporting compliance issues,  
35 violations of the Sectors operations plan and regulation, and general problems with monitoring or  
36 sector operations during the reporting period. One *Trip Issue Report* is submitted per reporting  
37 period. The *Sector Manager ACE Status Report* documents the ACE status calculations, which allows



1 NMFS to cross check totals as stipulated in Amendment 16. In the event that the Sector triggers daily  
2 reporting for a specific allocated stock, the *Sector Manager Daily ACE Status* will provide the mean for  
3 a sector manager to report their Sectors ACE status calculations on a daily basis if the “trigger point”  
4 i.e. thresholds specified in 14.1 have been reached during the current Fishing Year. These reports are  
5 cumulative in nature from the start of the fishing year until the current reporting week and are  
6 adjusted retroactively as data becomes available or issues documented in JIRA are resolved. JIRA is  
7 an issue tracking application implemented by NMFS, which should be used to report all data quality  
8 issues to the appropriate people for research and correction process.  
9

10 **5.1 REPORTING THRESHOLDS THAT TRIGGER DAILY REPORTING:** Daily reporting will not be  
11 triggered, because sector vessels cannot harvest sector’s ACE.  
12

13 **5.2 ENFORCEMENT ISSUES:** The Members acknowledge that the Sector Manager must include  
14 any enforcement or reporting compliance issues, including violations of Operations Plan  
15 (excluding those sections identified as administrative provisions in this document as  
16 identified in Exhibit E); violations of regulations, or general problems with monitoring or  
17 sectors operations in their *Trip Issue Report* which is submitted to NMFS weekly.  
18

19 **6. ANNUAL REPORT:** Within sixty (60) days of the end of the fishing year the Sector Manager will submit  
20 an annual report to NMFS that summarizes: enforcement actions and any other relevant information  
21 required to evaluate the performance of the Sector. The actual date of submission will be specified  
22 by NMFS, which has been previously based in part on completeness of various data sets including but  
23 not limited to final reconciliation of ACE usage and availability of final fishing year data generated by  
24 NMFS. In addition, the Annual Report will report the number of vessels that fished for other species;  
25 method used to estimate discards; landing port used by sector vessels while landing groundfish; and  
26 any other additional information requested by the Regional Administrator for inclusion in the Annual  
27 Report. The Sector will submit required reports using the format and procedures prescribed by NMFS.  
28

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

34  
35 **8. RESERVED FOR FUTURE USE:**

36  
37 **9. RESERVED FOR FUTURE USE :**  
38

1 **10. PROOF OF SECTOR MEMBERSHIP:** Upon approval of the Sector, each sector vessel will be issued a  
2 Letter of Authorization (“LOA”), which will specify the exemptions that have been approved for the  
3 Sector. Each Member agrees that its sector vessels **must** comply with all requirements stipulated in  
4 the LOA and all applicable federal regulations and laws not specifically exempted in the LOA.

5  
6 Furthermore, Member agrees that its sector vessels shall maintain the LOA, and a copy of the Sector  
7 Agreement and Harvesting Rules on-board at all times while fishing on a ‘sector-trip’.

8  
9 **11. SECTOR SPECIFIC EXEMPTIONS:** As referenced in §4.0 of this Agreement all Sectors are granted the  
10 following **Universal Exemptions**.

11 **11.1** All Groundfish DAS requirements, including days-at-sea (DAS) reductions, differential  
12 groundfish DAS counting, the 3/15 rule for gillnets, and 24-hour DAS counting. NE  
13 multispecies (DAS) requirements to persecute other fisheries as specified in §§ 648.92  
14 and 648.32, such as monkfish and skate continue to apply.

15  
16 In addition to the Universal Exemptions granted to all Sectors, as referenced above and in §4.0 of  
17 this Agreement, **Members agree to abide by the following obligations as specified and**  
18 **authorized in their LOA.**

19  
20 **11.2** DAS Leasing Program Length and Horsepower Restrictions

21  
22 **12. RESERVED FOR FUTURE USE:**

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

27 **13.1 INTRA-SECTOR DAYS AT SEA (DAS) LEASING:** Days at Sea may be leased intra-sector  
28 (between members) within the guidelines and procedures contained in the FMP and as  
29 amended by Amendment 16. The Sector would accept any future relief in the length and  
30 horsepower constraints of the program that may be authorized by the RA in the future.

31 **13.2 INTER-SECTOR DAYS AT SEA (DAS) LEASING:** Members who wish to lease Days-at-Sea (DAS)  
32 outside of the Sector are authorized under this provision to do so, only with Members of  
33 other Sectors whom are similarly exempt. Members acknowledge that such DAS leasing  
34 would not be exempted from existing length and horsepower constraints as currently  
35 contained in applicable regulations.

36 **13.3 RESERVED FOR FUTURE USE**

1       **13.4    ADDITIONAL EXEMPTIONS:** Members note that GARFO has communicated that if an new  
2 exemption is approved for one Sector, all other authorized Sectors can be similarly  
3 approved for that specific exemption based on the terms and conditions of the originally  
4 requesting sector. In light of this understanding, NEFS IX may request authorization for  
5 such exemptions it deems beneficial for its operations, prior to the publication of the final  
6 authorizing rule. Since NEFS IX is a lease only exemption, it only anticipates requesting new  
7 exemptions that are administrative in nature.

8 **14. MODIFICATION OF HARVESTING RULES:** Members acknowledge that from time to time, the Sector  
9 Manager in collaboration with Board of Directors, and at times Membership, may adopt additional  
10 requirements or restrictions on the internal reporting requirements or fishing activities of all members  
11 in order to ensure effective utilization and management of the Sector’s ACE. These modifications may  
12 include, but are not limited to, additional notification of planned fishing activity to the Manager,  
13 additional internal reporting requirements, gear requirements, and restrictions on locations where  
14 fishing may occur during specific times of the year or with specific gear. When such modifications are  
15 implemented, all Members will be notified in writing.

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**Exhibit B:**

**Sector Membership Fishing Year 2016 (May 1, 2016 to April 30, 2017)**

**SECTOR MEMBERS:** The following table identifies The NEFS IX Members:

MRI	Vessel Permit No.	Vessel Name	Owner/Entity
770	215016	CAN DO	BAY FUELS INC.
828	330386	COSTA DA GALE	ORION VENTURE LLC.
2272	320655	ATLANTIC WARRIOR	ATLANTIC WARRIOR INC.

**ACTIVE MEMBERS:** NEFS IX is a lease only sector, there are no active members.

**Exhibit C:**

**Sector Member and Vessel Permits Amendment 16 Disclosure Requirements Fishing Year 2018 (May 1, 2018 to April 30, 2019)**

Sector Members have enrolled all eligible Limited Access Multispecies Permits into a Sector, the following represents permits held by a Sector Member that are enrolled in another Sector:

<b>Enrolled in Sector</b>	<b>Vessel Permit No.</b>	<b>Vessel Name</b>	<b>Owner Name</b>
NEFS VII	410275	APOLLO	APOLLO FISHING CORP.
NEFS VII	410604	ATHENA	ATHENA FISHING CORP.
NEFS VII	410471	BULLDOG	B & D FISHING CORP.
NEFS VII	410564	ILHA BRAVA	C & C FISHING CORP.
NEFS VII	320311	GREEN ACRES	C & D FISHING CORP.
NEFS VII	410104	ILHA DO CORVO	C & V FISHING CORP.
NEFS VII	410206	HUNTRESS I	C. RAFAEL LLC.
NEFS VII	150090	STAR OF THE SEA	CORVO LLC.
NEFS VII	410501	HERA	CORVO LLC.
NEFS VII	150108	BEIRA LITORAL SKIFF	F & C FISHING LLC.
NEFS VII	150372	2006 WATER TENDER	F & C FISHING LLC.
NEFS VII	330379	POSEIDON	HERA FISHING CORP.
NEFS VII	151053	LADY PATRICIA PERMIT	LADY PATRICIA INC.
NEFS VII	330200	LADY PATRICIA	LADY PATRICIA INC.
NEFS VII	320244	DINAH JANE	LEEANNE & NOAH FISHING LLC.
NEFS VII	330552	HERCULES	LEEANNE LLC.
NEFS VII	330309	MY WAY	MY WAY FISHING LLC.
NEFS VII	320903	NEMESIS	NEMESIS LLC.
NEFS VII	150090	CORVO II SKIFF	NEMESIS LLC.
NEFS VII	330764	DESTINY	NOAH LLC.

Enrolled in Sector	Vessel Permit No.	Vessel Name	Owner Name
NEFS VII	330236	OLIVIA & RAFAELA	OLIVIA & RAFAELA FISHING LLC.
NEFS VII	330583	ILHA BRAVA II	OLIVIA & RAFAELA FISHING LLC.
NEFS VII	151622	OLIVER SKIFF	PERSEUS LLC.
NEFS VII	150090	CRESTLINER SKIFF	PERSEUS LLC.
NEFS VII	320944	PERSEUS	PERSEUS LLC.
NEFS VII	151200	JOKO SKIFF NORTHERN CRUSADER	R & C FISHING CORP.
NEFS VII	330904	SOUTHERN CRUSADER II	R & C FISHING CORP.
NEFS VII	150842	COSTA & CORVO II	R & P FISHING CORP.
NEFS VII	150895	2009 JOKO JAMIE LEIGH	R & P FISHING CORP.
NEFS VII	150830	COSTA & CORVO I	R & P FISHING CORP.
NEFS VII	410335	COWBOY	R & P FISHING CORP.
NEFS VII	150829	SKIFF/ VIOLA	R & P FISHING CORP.
NEFS VII	410194	EDWARD L MOORE	RAFAELLA LLC.
NEFS VII	410246	DRAKE	RAFAELLA LLC.
NEFS VII	410612	HERA II	S & S FISHING CORP.
NEFS VII	320375	LEEANNE & ZACHARY	S & S FISHING LLC.
NEFS VII	330795	SASHA LEE	SASHA LEE INC.
NEFS VII	150656	2007 JOHNSON JOKO 0929H707	TYLER FISHING LLC.
NEFS VII	330276	TRIUNFO	TYLER FISHING LLC.
NEFS VII	149999	SEA EXPLORER	TYLER FISHING LLC.
NEFS VII	410161	RESOLUTE	TYLER FISHING LLC.
NEFS VII	410590	VILA NOVA DO CORVO I	VILA FISHING CORP.
NEFS VII	330535	SUSAN MARIE II	F/V SUSAN MARINE INC
NEFS VII	330303	NORDIC VIKING	NORDIC VIKING INC.

## Additional Information on federal &amp; state permits associated with Sector Vessels and Sector Members:

PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFISH	TILEFISH	State Permit	
410 275	APOLLO	61446 2	APOLLO FISHING LLC	1	1	1	1		D	C	1	D	E		A	2	1		1		1, 3, 4	1	MA Lobst er
410 604	ATHENA	11228 03	ATHENA FISHING CORP	1		1	1		A	C	1	C	E	6	A	2		1	1		3, 4	1	MA Lobst er
320 655	ATLANTIC WARRIOR	66652 9	ATLANTIC WARRIOR INC.	1	1	1	1		D	C		E	A	6	A	2	1	1	1		1, 4	1	
410 471	BULLDOG	93704 0	B & D FISHING CORP	1	1	1	1	1	D	C	1	C	A	6	A		1	1	1		1, 4, 5	1	MA Lobst er
215 016	CAN-DO	90693 9	BAY FUELS INC	1		1			D		1,A2,A OC	E	A		A		1		1		1, 4	1	
330 386	COSTA DA GALE	61258 5	CARLOS RAFAEL				1						A					1			1		
330 309	MY WAY	60343 1	BRAVA FISHING CORP	1		1	1		D	A	1	C	A	6	A			1	1		3, 4	1	MA Lobst er
410 564	ILHA BRAVA	97126 2	C & C FISHING CORP	1		1			D	C	1	E	E	6	A	2		1	1		3, 4	1	MA Lobst er

PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFIS	TILEFISH	State Permit
320 311	GREEN ACRES	52130 5	C & D FISHING CORP	1	1	1	1		D	A	1	C	A	6	A		1	1	1	3, 4	1	MA Lobst er
410 104	ILHA DO CORVO	57872 5	C & V FISHING CORP.	1		1	1		D	A	1	D	A	6	A			1	1	3	1	MA Lobst er
151 200	JOKO SKIFF NORTHERN CRUSA	MS42 96AX	R & C FISHING CORP	1		1	1		D	A	1	D	A	6	A			1	1	3, 4	1	
410 206	HUNTRESS I	60824 8	C. RAFAEL LLC.	1	1	1	1		D			E	A		A		1		1	1	1	
150 090	STARS OF THE SEA	MS96 93BB	CORVO LLC	1		1	1		D		1	D	E		A				1	3	1	
410 501	HERA	94560 0	CORVO LLC	1		1	1		D	A	1	D	A		A				1	3, 4	1	MA Lobst er
150 108	BEIRA LITORAL SKIFF	MS44 14AM	F & C FISHING CORP	1		1	1		D		1	E	A		A				1	3, 4	1	
150 372	2006 WATER TENDER	MS26 20AR	F & C FISHING CORP	1	1	1	1		D		1	E	A		A		1		1	1, 4	1	
330 535	SUSAN MARIE II	63031 3	F/V SUSAN MARIE INC	1	1	1	1	1	C	A	1	C	E	6	A	2	1	1	1	1, 4, 5	1	



PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFIS	TILEFISH	State Permit
330 379	POSEIDON	61301 8	HERA FISHING LLC	1		1	1		D	A	1	C	A	6	A			1	1	3, 4	1	
151 053	LADY PATRICIA PERMIT	MS19 23AW	LADY PATRICIA INC	1		1	1		D		1	D	A		A				1	3, 4	1	
330 200	LADY PATRICIA	58183 1	LADY PATRICIA INC	1	1	1	1		D	A	1	D	A	6	A		1	1	1	1, 3, 4	1	MA Lobst er
320 244	DINAH JANE	53807 1	LEEANNE & NOAH FISHING LLC	1		1	1		D	A	1	C	A	6	A		1	1	1	3, 4	1	MA Lobst er
150 913	CORVO II SKIFF	MS56 28AV	NEMESIS LLC	1	1	1	1		D	A	1	C	A		A		1		1	1, 3, 4	1	
150 913	NEMESIS	MS56 28AV	NEMESIS LLC	1	1	1	1		D	A	1	C	A		A		1		1	1, 3, 4	1	MA Lobst er
320 944	PERSEUS	94440 3	NEMESIS LLC	1		1			D	C	1	C	A	6	A	1		1		3, 4	1	MA Lobst er
330 764	DESTINY	10312 78	NOAH LLC	1		1	1		D	A	1	D	A	6	A			1	1	3, 4	1	
330 303	NORDIC VIKING	54733 1	NORDIC VIKING INC	1	1	1	1			A	1,A1,A 2,AOC	D	A	6	A		1	1	1	1, 4	1	

PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFIS	TILEFISH	State Permit	
150 090	SPIRIT OF COLUMBUS	MS42 79AM	OLIVIA & RAFAELA FISHING LLC	1	1	1	1				1	D	A				1			1, 4, 5	1		
330 236	OLIVIA & RAFAELA	55377 7	OLIVIA & RAFAELA FISHING LLC	1	1	1	1		D	A	1	D	A	6	A		1	1	1	1, 3, 4	1	MA Lobst er	
330 583	ILHA BRAVA II	69358 7	OLIVIA & RAFAELA FISHING LLC	1	1	1	1		D		1	E	A		A		1	1	1	1, 3, 4	1		
330 557	STARS OF THE SEA	67101 1	P & R FISHING CORP	1		1	1		D	C	1	D	A	6	A			1	1		3	1	MA Lobst er
151 622	OLIVER SKIFF	MS56 65BG	PERSEUS LLC.																				
150 090	CRESTLINER SKIFF	MS56 74BG	PERSEUS LLC.																				
320 944	PERSEUS	94440 3	PERSEUS LLC.	1		1			D	C	1,A6	C	A	6	A			1	1		3, 4	1	
150 829	SKIFF / VIOLA	MS96 54AX	R & P FISHING CORP	1		1			D		1,A1	D	A		A				1		3, 4	1	
150 830	COSTA & CORVO I	MS73 22AU	R & P FISHING CORP	1	1	1	1		D		1	C	A		A		1		1		1, 4	1	
150 842	COSTA & CORVO II	MS73 24AU	R & P FISHING CORP	1	1	1	1		D		1	D	A		A		1		1		1, 4	1	

PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFIS	TILEFISH	State Permit
150 895	2009 JOKO JAMIE LEIGH	MS80 37AV	R & P FISHING CORP	1		1	1		D		1	C	A		A		1		1	3, 4	1	
410 335	COWBOY	60243 6	R & P FISHING CORP	1		1	1		D	A	1	D	A		A				1	3, 4	1	
150 790	2007 JOHNSON OUTDOORS	MS52 36AU	R & P FISHING CORPORATION	1		1	1		D	A	1	D	A		A				1	3, 4	1	
330 904	SOUTHERN CRUSADER II	10389 17	R & C FISHING CORP	1	1	1	1		D	A	1	D	A	6	A		1	1	1	1, 3, 4	1	
410 194	EDWARD L MOORE	59717 2	RAFAELLA LLC	1		1	1		D	C	1	C	A	6	A			1	1	1, 4	1	MA Lobst er
410 246	DRAKE	61831 0	RAFAELLA LLC	1		1	1		D	C	1	C	A	6	A			1	1	3, 4	1	
320 375	LEEANNE N ZACHARY	50770 8	S & S FISHING LLC	1		1	1		D	A	1	C	A	6	A			1	1	3, 4	1	
410 444	TYLER N NOAH	93072 8	S & S FISHING LLC	1		1	1		D		1	C	E	6	A	2		1	1	3, 4	1	MA Lobst er
410 612	HERA II	11136 13	S & S FISHING CORP.	1		1	1		D		1	C	E	6	A	2		1	1	3, 4	1	MA Lobst er

PERMIT	VESSEL NAME	HULL ID	OWNER NAME	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	INCIDENTAL HMS SQUID	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP - LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFIS	TILEFISH	State Permit
330 215	PEROLA DO CORVO	58469 2	SASHA FISHING CORP	1	1	1	1		D	C	1	E	J, K	6	A	2	1	1	1	1, 4	1	MA Lobst er
330 795	SASHA LEE	90914 9	SASHA LEE INC	1		1	1		D	A	1	C	A	6	A			1	1	3, 4	1	MA Lobst er
410 226	ZEUS	61308 2	STEPHANIE FISHING CORP	1		1	1		D	C	1	E	J	6	A	2		1	1	3, 4	1	MA Lobst er
150 656	2007 JOHNSON JOKO0929H707	MS38 77AT	TYLER FISHING LLC	1	1	1	1		D		1	D	A		A		1		1	1, 3, 4	1	MA Lobst er
330 193	SEA EXPLORER	57948 4	TYLER FISHING LLC	1	1	1	1		C	C	1	D	A	6	A		1	1		1, 3, 4	1	MA Lobst er
330 276	TRIUNFO	59639 7	TYLER FISHING LLC	1		1	1		D	A	1	D	A	6	A			1	1	3, 4	1	
410 161	RESOLUTE	59748 4	TYLER FISHING LLC	1		1	1		D	C	1	C	E	6	A	2		1	1	3, 4	1	
410 590	VILA NOVA DO CORVO I	11104 63	VILA FISHING CORP	1		1	1		D	C	1	D	E	6	A	2		1	1	3, 4	1	MA Lobst er

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**EXHIBIT D**

<b>NEFS IX Penalty Schedule</b>			
	<b>FIRST OFFENSE</b>	<b>SECOND OFFENSE</b>	<b>THIRD OFFENSE</b>
<b>VIOLATION REGARDING REPORTING, DOCUMENTATION REQUIREMENTS:</b>			
All violations including but not limited to: providing false statements or supporting documentation on applications or reports to the Sector; late reporting or non-reporting; (technical and minor violations may result in a letter of warning).	Written Warning <b>or</b> up to \$2,500.00	Written Warning <b>and</b> up to \$5,000.00.	Written Warning <b>and</b> up to \$7,500.00 <b>and/or</b> stop fishing order.
<b>VIOLATION REGARDING EXEMPTION PERMIT REQUIREMENTS</b>			
All violations including but not limited to: failure to comply with a permit condition/restriction/letter of authorization issued to Sector Vessels by the Regional Administrator; or failure to comply with VMS/DAS requirements. (Technical and minor violations may result in a letter of warning).	Written Warning <b>or</b> up to \$5,000.00	Written Warning <b>and</b> \$7,500.00	Written Warning <b>and</b> up to \$10,000.00 <b>and/or</b> stop fishing order.
<b>VIOLATION REGARDING TIME/AREA/GEAR RESTRICTIONS</b>			
<b>Not applicable since all members are enrolled as non-Active Members</b>			
<b>VIOLATIONS THAT PLACE THE SECTOR AGREEMENT AT RISK</b>			
All violations including but not limited to a violation of a stop fishing order, fishing in a closed area, transfer of fish from non-sector vessel to a sector vessel, transfer of fish from sector vessel to a non-sector vessel; subverting the reporting requirements or any other action so egregious that it would severely jeopardize the Sectors existing and future authorization(s).	Written Warning <b>and</b> up to \$10,000.00 <b>or</b> stop fishing order.	Stop fishing order <b>or</b> Expulsion.	Expulsion.

**VIOLATIONS SPECIFIC TO THE INDUSTRY FUNDED AT-SEA MONITORING PROGRAM**

**Not applicable since all members are enrolled as non-Active Members**


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1 **Exhibit E:**

2 **Administrative Provisions Addendum:**

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

7 **SECTOR OPERATIONS PLAN AND AGREEMENT**

8 1. Sector Name.

9 2. Sector Eligibility and Membership.

10 4. Sector Allocation and Exemptions.

11 5. Distribution of Sector ACE.

12 6. Sector Manager and Registered Agent.

13 7. Consolidation Plan.

14 7.1 Harvest Share Reserve

15 7.2 Harvest Share Use.

16 7.3 Harvest Share Transfer.

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

20 7.5 Re-direction Of Effort.

21 7.6 Sector Vessel Interactions with Allocated Species in Non-Amendment 16 Fisheries. NA

22 7.7 Consolidation and Redistribution of ACE:

23 8. Release of Catch Data.

24 9. Catch Monitoring and Reporting.



- 1           10. Breach and Remedies for Breach.
- 2           10.1 Liquidated Damages Schedule and Schedule Amendments. NA
- 3           10.2 Enforcement Committee.
- 4           10.3 Liquidated Damages Base Value and Multiplier Adoption. NA
- 5           10.4 Liquidated Damages Calculation. NA
- 6           10.5 Notice to Vessel Masters; Assumption of Liability. NA
- 7           10.6 Security.
- 8           10.7 Manager Action in Response to Apparent Breach.
- 9           10.8 Member Appeals.
- 10          10.9 Voluntary Compliance.
- 11          10.10 Damages Collection and Related Expenses.
- 12          10.11 Consequential Damages for Gross Negligence or Willful Misconduct.
- 13          10.12 Distribution of Damages. NA
- 14   11. Joint Liability and Indemnification.
- 15   12. Membership Termination
- 16   14. Stop Fishing Order; Injunctive Relief.
- 17   15. Permit Transfer/Sale.
- 18   16. Release and Waiver of All Claims Against Sector Manager; Indemnification and Hold Harmless.
- 19   17. Sector Membership Fees.
- 20   18. Binding Arbitration.
- 21   19. Amendment and Incorporation by Reference.

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EXHIBIT A  
HARVESTING RULES

2. QUOTA MANAGEMENT:

7. DATA RECONCILIATION:

8. RESERVED FOR FUTURE USE:

9. DATA MANAGEMENT:

12. RESERVED FOR FUTURE USE:

EXHIBIT B

EXHIBIT C

EXHIBIT E

EXHIBIT G

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Exhibit F: EXPLANATORY ADDENDUM

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

9 § 7.3 Harvest Share Transfers: Right of First Offer i.e. ROFO will be used for intra and inter  
10 sector harvest share transfers.

11 § 15 Permit Transfer/Sale: Right of First Refusal i.e. ROFR will be used for permit sales or  
12 transfers.

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**Exhibit G: INFORMATIONAL ADDENDUM**

2 Per request by NMFS the table below identifies specific points of contacts and their responsibilities, which the Agency may utilize to determine  
3 appropriate communication stream for inquiries.

Sector Communications Contacts					Mailing Address			
Name	Title	Responsibility	Email	Phone	Street 1	City	State	Zip
Virginia Martins	Sector President	Day-to-Day Sector Operations						
Elizabeth Etrie/Vito Giacalone	Program Director, Northeast Sector Service Network	Data Management i.e. questions regarding software systems utilized by Sector for Weekly Report Computation						
Jackie Odell/Vito Giacalone	Executive Director, Northeast Seafood Coalition	Policy						

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