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SECTOR OPERATIONS PLAN AND AGREEMENT

This NORTHEAST FISHERY SECTOR OPERATIONS PLAN AND AGREEMENT (this “Agreement”) is entered into as of **April 1, 2023** (the “Effective Date”), by and among IV Northeast Fishery Sector, Inc. (“NEFS IV”) and each of the Sector members identified on the attached **Exhibit C**.

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 voluntarily entering into this Agreement for **Fishing Year 2023 (May 1, 2023-April 30, 2024) and Fishing Year 2024 (May 1, 2024-April 30, 2025)**.

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 multispecies permit and meet all other Sector eligibility requirements as 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 contracts must be submitted to NMFS. Sector membership shall be effective upon admission of a member by the Board and acceptance by execution by such member of the Sector’s Membership Agreement. Subject to the automatic renewal provisions of **Section 12** below, and the disciplinary expulsion provisions of **Section 13** below, Sector membership shall expire at the conclusion of each fishing year, unless renewed by the Board in accordance with the Sector’s Bylaws and

this Agreement. The Sector's members (the "Members"), such Members' "Limited Access Multispecies Permit" (LA MS) as identified by its "Moratorium Rights Identifier" (MRI), and the vessels that will harvest the Sector's Amendment 16 allocations are identified on the attached **Exhibit C**, which may be amended from time to time in accordance with this Agreement and the Sector's Bylaws.

2.1. **Rule of Three Requirement:** Amendment 16 to the NE multispecies FMP defines a sector as a group of three or more persons, none of whom have an ownership interest in the other two persons in the sector. This criterion has been fulfilled with permit # 149675 under the distinct ownership of F/V EMILIE INC., permit # 150666 under the distinct ownership of Boston Sustainable Fishing Preservation Fund., and permit # 150592 under the distinct ownership of The Gloucester Fishing Community Preservation Fund, Inc. Documentation of fulfillment of this criterion for FY 2024 will be located in **Exhibit I** of this Agreement and will be furnished by the Sector in accordance with NMFS guidance and schedule pertaining to bi-annual operation plan submission.

3. **Member and Vessel Permits.** The attached **Exhibit D** 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. Documentation of fulfillment of this criterion for FY 2024 will be located in **Exhibit I** of this Agreement and will be furnished by the Sector in accordance with NMFS guidance and schedule pertaining to bi-annual operation plan submission.

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

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"), and any subsequent Framework or Amendment. Subject to the terms and conditions of this Agreement, each Member shall be entitled to harvest or transfer an amount of the Sector's ACE, as adjusted by the Sector for retainages including but not limited to the Reserve, for each Allocated Species proportionate to the amount of ACE for such species that the

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

6. Sector Manager and Registered Agent. The Board shall from time to time appoint a person to act as the Sector's authorized agent in all NMFS and New England Fishery Management Council matters (the "Manager"), and a person to serve as the registered agent for receiving service of process on behalf of the Sector (the "Registered Agent"). The procedures for appointing the Manager and the Registered Agent shall be as provided in the Sector's Bylaws, as the same may be amended from time to time. The Manager and the Registered Agent may be the same person. The Manager shall be responsible for preparing and filing all reports required of the Sector under Amendment 16 and the related implementing regulations. Vito Giacalone will serve as the registered agent for receiving service of process on behalf of the Sector. The Sector will notify NMFS prior to May 1, 2023 who will be acting as their Manager for FY 2023. Documentation of fulfillment of this criterion for FY 2024 will be located in Exhibit I of this Agreement and will be furnished by the Sector in accordance with NMFS guidance and schedule pertaining to bi-annual operation plan submission.

6.1. Communication with Sector. The Manager is the primary point of contact for all communications on behalf of the Sector and all communications regarding NEFS IV should be directed accordingly. In addition to the Sector Manager, Elizabeth Etrie or the acting program director of Northeast Sector Service Network is authorized to act on behalf of the Sector. At the time in which this Agreement is entered into, the Board of Directors are as follows:

President: Vito Giacalone

Treasurer: Jackie Odell

Clerk: Dale Brown

Director: Angela Sanfilippo

In the event that the Board of Directors is modified, the Sector will notify NMFS of such modifications. Additionally, a list of current Board members can also be located at the following link.

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

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

7.2. Harvest Share Use. 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.

7.2.1. Non-Active Members. The Members acknowledge that **Active Members** are assuming certain costs and risks associated with harvesting the Sector's ACE on behalf of the **Non-Active Members**, and that the **Active Members** are making certain financial contributions to the Sector that are not made by **Non-Active Members**. Obligations assumed by **Active Members** that are not imposed on **Non-Active Members include**, but are not limited to payments of the initial Membership Fee, and paying Network and Sector fees in connection with landings of catch

harvested under the Sector's ACE. In consideration for the **Active Members** assuming these costs, risks and fee obligations, each **Non-Active Member** shall:

- A. Not fish in any ACE-accountable fisheries;
- B. Participate only as a transferor with regards to transfer of such member's Harvest Share within the sector. However, a **Non-Active Member** may act as a transferee through an Inter-Sector transfer of ACE provided the transaction results in a net increase of this Sector's ACE.
- C. Not have access to information on FishTrax, or other Sector specific tools, other than the information necessary to track the balance of such Member's Harvest Share, and specifically, shall not have access to Harvest Share Offers or Permit Offers posted on behalf of Members;
- D. Not have the Rights of First Offer on Sector Harvest Share and the related Sector ACE extended to **Active Members**, which may be adopted or amended from time to time by the Board under Section 7.3, and shall not have a right of first refusal on Permits extended to **Active Members**, which may be adopted or amended from time to time by the Board under Section 15;
- E. Pay Sector Operating Fees on the net amount of Sector ACE transferred out of the Sector by such Member, and pay the Network Fee on the net amount of Sector ACE transferred out of the NEFS Sectors by such Member.

7.3. Harvest Share Transfer. Subject to the terms and conditions of this Agreement, each Member may transfer some or all of such Member's Harvest Share to one or more **Active Member(s)** on such terms and conditions as the transferor Member and the transferee **Active Member(s)** may agree. No transfer of a Member's Harvest Share shall become effective until the Manager has received actual notice of such transfer. No Member may transfer any portion of such Member's Harvest Share, or interest in the Sector's ACE, to any person other than an **Active Member** unless the Board first authorizes such transfer in writing. Any such transfer shall be subject to such terms and conditions as the Board may adopt from time to time, including but not limited to establishment of procedures to implement a Right of First Offer (the "ROFO") that is extended to **Active Members** of the Sector, **Active Members** of other Northeast Fishery Sectors, and certain other parties in accordance with the terms and

conditions established by the Board. Without limiting the foregoing, the Sector Board of Directors may condition, review, approve and restrict transfers of Harvest Shares to non-Members as it deems necessary to promote the harvest of the Sector's entire ACE allocation and ensure that the Sector's management and administrative costs can be recouped through reasonable Sector membership fees established by the Board.

7.4. Harvesting Rules and Fishing Plan. The Board may from time to time adopt such restrictions on harvest of the Sector's ACE as the Board deems necessary to ensure the Sector's compliance with Amendment 16 and related implementing regulations (such restrictions referred to hereafter as "Harvesting Rules"). The Harvesting Rules are set forth on **Exhibit A**. Each **Active Member** shall conduct their harvest of the Sector's ACE in strict compliance with the Harvesting Rules. Each Member shall exercise their best efforts to ensure such Member's Harvest Share is harvested in accordance with the Harvesting Rules. The Manager shall annually develop a Sector fishing plan that promotes harvest of the Sector's ACE in accordance with the Harvesting Rules and shall make the Fishing Plan available to Active Members prior to the commencement of the fishing season.

7.5. Re-direction of Effort. IV Northeast Fishery Sector has been a "Lease Only" sector since FY 2010, with no active members. The vast majority of federal permits enrolled in IV Northeast Fishery Sector have been enrolled in the sector for 10 fishing years or more. During FY 2023 & FY 2024, NEFS IV anticipates that no redirection of effort will take place.

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

7.7. Consolidation and Redistribution of ACE: Scientific recommendations and new Magnuson requirements will influence the level of consolidation that will take place in the groundfish fishery. The Sector members intend to utilize sector management to mitigate excessive consolidation that may occur in the effort controlled system where overall management measures are based upon the weakest stocks. In FY 2020, 0% of the permits enrolled in the NEFS IV for FYs 2023 and 2024 are attached to vessels actively fishing for NE multispecies. For FYs 2023 and 2024, the NEFS IV sector has 58 permits currently enrolled. Of those permits 0 are anticipated to actively fish for NE multispecies in FYs 2023 and 2024. While these numbers may change, the NEFS IV sector expects that, compared to FY 2022, there would be no change from the consolidation that previously occurred among the members during FY 2022.

The member permits that are not attached to active NE multispecies vessels in FYs 2023 and 2024 are the same permits that did not fish in FY 2022.

8. Release of Catch Data. Pursuant to section 402(b)(1)(F) of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. §1881a(b)(1)(F), the undersigned hereby authorizes the release to the Manager of IV Northeast Fishery Sector, Inc.; Program Director of Northeast Sector Service Network, and the FishTrax Programmer, of information that may be or is considered to be confidential or privileged by the Magnuson-Stevens Act or other federal law regarding the catch of various species of fish associated with the limited access Northeast multispecies permit with the Moratorium Right Identifiers (MRIs) enrolled in the sector submitted to the National Marine Fisheries Service that the undersigned has authority to access. This information includes data required to be submitted or collected by NMFS, including but not limited to days-at-sea allocation and usage, vessel trip reports, dealer reports, Northeast Fishery Observer Program data, information collected for conservation and management purposes, catch and landings history data, at-sea or electronic monitoring data, VMS information, and all other information associated with the vessel, MRI #, and/or permit records.

9. Further, in the event the Sector contracts with one or more electronic monitoring providers the undersigned also hereby authorizes the release of information to the sector's electronic monitoring provider(s) that may be considered to be confidential or privileged by the Magnuson-Stevens Act or other federal law associated with the limited access Northeast multispecies permit with the Moratorium Right Identifiers (MRIs) enrolled in the sector's electronic monitoring program. Specifically, NOAA Fisheries is authorized to release vessel trip report data associated with the vessel, such as vessel name; vessel permit number; sail date/time; land date/time; Trip ID number; number of hauls; number of sub-trips; and other trip-related data for the purpose of facilitating trip tracking and management as required by contract and regulation. Catch Monitoring and Reporting. Each **Active Member** shall comply with all catch monitoring and reporting requirements established by the Manager, which may include but are not limited to maintaining and filing copies of accurate catch logs, carrying fishery observers, installing and operating electronic vessel and catch monitoring equipment, delivering fish only at pre-approved landing stations at pre-approved times, and completing and filing accurate delivery reports on a timely basis. Without limiting the foregoing, each **Active Member** shall submit on a timely basis all catch information as required by and necessary for the Manager to complete and file the Sector's weekly reports. Each **Active Member's** harvest of Sector ACE shall be calculated and tabulated in accordance with the catch accounting measures established by NMFS with respect to the Sector's ACE. Absent

manifest error, the catch and delivery information produced by the Manager shall be presumed accurate, and absent manifest error, each Member's obligations under this Agreement and all related documents may be enforced to their fullest extent on the basis of such information.

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

10.1. Liquidated Damages Schedule and Schedule Amendments. 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

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. A Member receiving notice of an alleged breach and proposed liquidated damages shall have five (5) days from the date that the Member receives the notice to request an appeal hearing before the Enforcement Committee. If a Member fails to request a hearing within such 5-day appeal period, the Member's right of appeal shall expire, the Member shall be deemed to have breached this Agreement in accordance with the Manager's determination, and the Member shall be obligated to pay the related liquidated damages. If a Member timely requests an appeal hearing, the Manager shall consult with the Enforcement Committee and schedule an Enforcement Committee meeting for that purpose. The Enforcement Committee shall make reasonable efforts to schedule the meeting at a time and place such that the Member requesting the appeal is able to attend, and shall provide the Member with at least thirty (30) days advance written notice of the time and place of the meeting. At such meeting, the Enforcement Committee shall provide the Manager with an opportunity to present evidence of the apparent breach, and shall provide the Member in apparent breach with a reasonable opportunity to rebut such evidence. Per Section 9, above, the catch and delivery data produced by the Manager shall be presumed accurate, and, absent manifest error, each Member's obligations under this Agreement and all related documents may be enforced to their fullest extent on

the basis of such data. If the Enforcement Committee determines that a Member breached this Agreement, the Sector shall have the right to collect from such Member the liquidated damages amount provided for such breach under this Agreement.

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

10.10. Liquidated Damages Collection and Related Expenses. 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 Active Member agrees to indemnify, defend and hold the Sector and all other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of

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

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

Subject to the provisions of this Section 12 regarding withdrawal prior to the Effective Date, above, a Member that is eligible to terminate such Member's Sector membership may do so only by providing written notice to that effect to all other Members on or before April 15, 2023 or such date as the Board may from time to time establish for that purpose (the "Termination Date") each fishing year. A Member that fails to provide such notice by the Termination Date shall be deemed to have automatically renewed its Sector membership for the following year, and all other Members shall be entitled to act in reliance on such renewal accordingly. If any Member provides a membership termination notice by the Termination Date, each of the other Members shall have ten (10) days from the date they receive such notice to terminate their membership as well, notwithstanding the Termination Date notice deadline. Termination of membership in the Sector shall be effective as of the final day of the current fishing year.

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

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

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

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

14. Stop Fishing Order; Injunctive Relief. NA

14.1. Issuance of Stop Fishing Order. NA

14.2. Failure to Comply with Stop Fishing Order. NA

15. Permit Transfer/Sale. A Member may transfer a Permit to a party other than a Member, subject to a Right of First Refusal (the "ROFR"), which may be adopted or amended from time to time by the Board, in favor of **Active Members** of the Sector, **Active Members** of other Northeast Fishery Sectors, and certain other parties. No Member may transfer such Member's "LA MS" permit or "MRI" permit to a person who is not an **Active Member** unless such person assumes all of the transferring

Member's obligations under this Agreement as of the effective date of such transfer. A person other than a Member who receives a Member's "LA MS" permit or "MRI" permit from a Member in accordance with this Section 15 (a "Transferee") shall only be eligible to participate in the Sector for the balance of the fishing year during which the transfer occurs, and thereafter may only remain a Sector Member if such Transferee applies for and is admitted to Sector membership in accordance with Section 2, above.

15.1. The Transferee shall be deemed a **Non-Active Member** of the Sector, with no rights to harvest any Sector ACE, including but not limited to the ACE allocated to the Sector in connection with the assets acquired under the Permit Offer. A Transferee wishing to acquire **Active Member** status during the fishing year in which the permit transfer occurred must submit a written request to the Board for consideration. The Board will have the authority to approve, conditionally approve or deny such request.

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

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

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

first be submitted to a mediation which shall be conducted by one mutually agreeable member of the Sector Board of Directors, NESSN Board of Directors or by some other mutually agreeable independent person. If the parties cannot agree on a mediator, the NESSN Board will appoint a mediator. The mediation must take place within two weeks of the written request for mediation, unless otherwise agreed upon by both parties. If mediation is unsuccessful, the parties shall submit to binding arbitration by any party. The parties shall choose a mutually agreeable single arbitrator. If the parties cannot agree upon an arbitrator, they shall present the names of three potential arbitrators to the previously agreed upon mediator and that mediator shall select one of those nominees to serve as an independent arbitrator. When making that determination, the mediator shall ensure that the person serving as an arbitrator hereunder shall be a person of mature, sound and reasonable business judgment and experience and consideration shall be given to whether (or not) the proposed arbitrator has meaningful experience in the fishing industry, either (a) having held a federal fishing master license or (b) experience as an attorney at law or accountant practicing in the area of fisheries for at least ten (10) years. The party's written request for arbitration shall include a basic statement of the issue to be arbitrated, along with all supporting documentation, and an invitation to the other party to discuss potential arbitrators. The Responding party shall briefly respond to the issues raised in the request or arbitration, assert any applicable defenses, include all supporting documentation and shall thereafter confer about proposed arbitrators. If the parties cannot agree upon an arbitrator, they shall select a date (within one week of the discussion) to submit the names of their three potential arbitrators to the mediator for his/her consideration. Any arbitrator must have no material ties to the parties, the Sector or any Member of the Sector. The decision of the arbitrator will be final and binding. The arbitration will be conducted under the arbitration rules of the Federal Arbitration Act unless the parties agree to another set of arbitration rules. 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, including but not limited to the all fees and costs payable to the arbitrator shall be borne by the party requesting the arbitration. Each party shall bear its own costs of preparation and presentation, unless, in the case of the Sector as a party, the Board reasonably 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. In actions between Members where the parties agree that the Sector is a necessary party, the parties shall share the Sector's arbitration costs, including arbitrator's fees and costs of presentation. Where one party alone asserts that the Sector is a

necessary party, that party shall bear the Sector's arbitration costs. Nothing herein shall prevent the arbitrator(s) from assessing or apportioning all arbitration costs and fees against or between parties, where a party's claims are frivolous, brought in bad faith or merely to cause delay, or as justice requires.

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

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

EXHIBIT A: HARVESTING RULES FOR FY 2023 and FY 2024

*The Members and the Participating Vessels of **IV Northeast Fishery Sector, Inc.** agree to be legally bound to follow the Harvesting Rules for the Fishing Year 2023 (May 1, 2023 to April 30, 2024) & Fishing Year 2024 (May 1, 2024 to April 30, 2025) as described herein, in accordance with all provisions of the Sectors Operations Plans and Agreement (herein "Agreement"), notwithstanding those rules and regulations applicable to the common pool Multispecies vessels. Members and the Participating Vessels of NEFS IV will NOT BE HARVESTING SECTOR ACE IN FY 2023 OR 2024.*

1. **ANNUAL CATCH ENTITLEMENT:** The members agree that they will not collectively harvest more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks. Furthermore, the members agree that once an annual ACE is reached no member will fish commercially with any fishing gear capable of catching any of the allocated groundfish stocks or other species managed under plan within the applicable area(s): except in those situations where a member is participating in an exempted fishery, or if a plan submitted by the Sector under §648.87(b)(2)(xiv) in this document has been approved by NMFS. The Sector members may resume fishing activities if additional ACE is secured through inter-sector ACE transfer. The Annual Catch Entitlement, allocated by NMFS to NEFS IV for FY 2023 is identified in the table below:

Stock	Sector ACE:
GB Cod	
GB Cod East	26250.27
GB Cod West	3757.07
GOM Cod	66492.79
GB Haddock	
GB Haddock East	853845.31
GB Haddock West	573713.95
GOM Haddock	224391.80
GB Yellowtail Flounder	4656.62
SNE/MA Yellowtail Flounder	588.88
CC/GOM Yellowtail Flounder	734.29
Plaice	410433.84
Witch Flounder	192159.65
GB Winter Flounder	8662.30
GOM Winter Flounder	45971.32
SNE/MA Winter Flounder	6406.28
Redfish	1387459.50
White Hake	271383.65
Pollock	1602878.71

The Annual Catch Entitlement, allocated by NMFS to NEFS IV for FY 2024 will be identified in **Exhibit I** of this Agreement in accordance with NMFS guidance and schedule pertaining to bi-annual operation plan submission.

2. **QUOTA MANAGEMENT:** As a Lease Only Sector, NEFS IV, quota management is not affected by fishing activity, dealer, observed discards of assumed discard rate variables. Sector Manager will maintain an active database of leases of NEFS IV ACE to other sectors.
3. **RESERVE:** For each stock held by the Sector, the quota release program will utilize an initial target trajectory that is not to exceed **100%** of the current quota held by the Sector as adjusted by ACE transfers. The remaining **0%** is the minimum aggregate total of the Reserve which will be set aside prior to Harvest Share distribution to Members. The Sector, through their Board, may modify the RESERVE holdback percentages for any or all stocks held by the Sector to prevent under or over harvest of the Sector's ACE. Specifications in this section for FY 2024 will be documented in **Exhibit I** in accordance with NMFS guidance and schedule pertaining to bi-annual operation plan submissions.
4. **SLOWING CATCH:** NA
5. **FULL RETENTION OF LEGAL SIZED FISH:** NA
6. **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 in Amendment 16 for common pool vessels. Members will be required to use a DAS, as specified in controlling FMPs, when conducting fishing operations that are not exempted from DAS usage, for example, when fishing under a monkfish DAS.
7. **STOCK AREA DECLARATION:** NA
8. **TRIP HAIL:** NA
9. **VESSELS FISHING MULTIPLE STOCK AREAS:** NA
10. **FISHING IN US/CA AREAS:** NA
11. **CLOSED AREAS:** NA

CLOSED AREA II GEAR SHARING AGREEMENT: NA

12. CATCH REPORTS: NA

13. ELECTRONIC VESSEL TRIP REPORTS (e-VTR): All sector members will comply with applicable reporting requirements including submission of electronic Vessel Trip Reports (eVTRs).

14. WEEKLY/DAILY REPORTS: The Sector Manager, or his/her designated representative, will submit weekly or daily Sector Reports of all landings and discards by sector vessels, to NMFS. The Sector will submit required reports, using the format and procedures prescribed by NMFS. The reports required by NMFS are the *Sector Manager ACE Status Report*, *Sector Manager Detailed Report*, and *Sector Manager Trip Issue Report* as codified in §648.87(b)(1)(v)(B). Specifically, the *Sector Manager Detailed Report* provides information down to the sub-trip level about each sector trip for a given week, regardless of completeness of the data. The information includes stock, gear, mesh categories, landing amounts, discards and total catch. The *Sector Manager Trip Issue Report* provides information about the sector trips for a given week that have enforcement or other issues. The *Trip Issue Report* allows the sector to briefly describe to NMFS any enforcement or reporting compliance issues, violations of the Sectors operations plan and regulation, and general problems with monitoring or sector operations during the reporting period. One *Trip Issue Report* is submitted per reporting period. The *Sector Manager ACE Status Report* documents the ACE status calculations, which allows NMFS to cross check totals as stipulated in Amendment 16. In the event that the Sector triggers daily reporting for a specific allocated stock, the *Sector Manager Daily ACE Status* will provide the mean for a sector manager to report their Sectors ACE status calculations on a daily basis if the “trigger point” i.e. thresholds specified in 14.1 have been reached during the current Fishing Year. These reports are cumulative in nature from the start of the fishing year until the current reporting week and are adjusted retroactively as data becomes available or issues documented in JIRA are resolved. JIRA is an issue tracking application implemented by NMFS, which should be used to report all data quality issues to the appropriate people for research and correction process.

14.1 REPORTING THRESHOLDS THAT TRIGGER DAILY REPORTING: The reporting frequency for the sector manager’s ACE Status Report will be increased to daily when 90% of any of the sector’s ACEs is reached. The Sector Manager, or a designated representative, must notify NMFS immediately by email if the threshold that triggers daily reporting has been reached. During the period when a sector has reached or exceeded 90% of any of its ACEs, daily ACE Status and Detailed Reports must be submitted only on a day when a member vessel lands, or when the sector engages in an ACE transfer of a stock that is exceeding the 90% threshold.

An alternative threshold for triggering daily reporting may be implemented during FY 2023 or FY 2024 if agreed upon by the sector and NMFS.

- 14.2 ENFORCEMENT ISSUES:** The Members acknowledge that the Sector Manager ***must*** include any enforcement or reporting compliance issues, including violations of Operations Plan (excluding those sections identified as administrative provisions in this document as identified in **Exhibit F**); violations of regulations, or general problems with monitoring or sectors operations in their *Trip Issue Report* which is submitted to NMFS weekly.
- 15. ANNUAL REPORT:** Within sixty (60) days of the end of the fishing year the Sector Manager will submit an annual report to NMFS that summarizes: fishing activities of Members, including harvest levels of all species by sector vessels (landings and discards by gear types); enforcement actions; and any other relevant information required to evaluate the performance of the Sector. The actual date of submission will be specified by NMFS, which has been previously based in part on completeness of various data sets including but not limited to final reconciliation of ACE usage and availability of final fishing year data generated by NMFS. In addition, the Annual Report will report the number of sector vessels that fished for regulated groundfish and their permit numbers (when such disclosure does not violate protection of confidentiality); number of vessels that fished for other species; method used to estimate discards; landing port used by sector vessels while landing groundfish; and any other additional information requested by the Regional Administrator for inclusion in the Annual Report. The Sector will submit required reports using the format and procedures prescribed by NMFS.
- 16. STOCK ATTRIBUTION:** NA
- 17. DISCARD RATES AND IN-SEASON DISCARD ESTIMATES:** NA
- 18. RESERVED FOR FUTURE USE:**
- 19. DATA MANAGEMENT:** The sector vessels will be transmitting catch data electronically via the email messaging component of their VMS units. All data necessary for sector ACE management, including all elements of VTR logbook and daily / weekly reporting requirements will be sent in compressed formats to minimize characters and maximize message capacity. Notwithstanding reporting requirements that cannot be altered by a sectors operations plan, the **Sector's server** will be capable of collecting, storing, converting and relay all data elements necessary to meet all reporting requirements in the formats required by the recipients

The Sector, acting through its Manager, will maintain database(s) of vessel trip reports (VTR), dealer, At-Sea (ASM), and NEFOP Observer reports. In addition, the Sector will maintain any other database

it determines necessary for its operations. NMFS will maintain a NEFOP/ASM database and will provide the Sector with data from NEFOP and the ASM program.

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

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

- 21. SECTOR SPECIFIC EXEMPTIONS:** As referenced in §4.0 of this Agreement all Sectors are granted the following **Universal Exemptions**.

- 21.1** Exemption from trip limits on stocks for which a sector receives an allocation, except for the following:
 - 21.1.1** Halibut: Trip Limit continues to be one fish per trip
 - 21.1.2** No vessels is allowed to possess any windowpane flounder, ocean pout or wolfish onboard at any time. When caught these species must be discarded.
- 21.2** Exemption from the Gulf of Maine Cod Protection Closures IV and V.
- 21.3** Exemption from groundfish DAS requirements other than those required to comply with effort controls in other fisheries.
- 21.4** Exemption from the requirement to use 6.5 inch mesh in the codend in haddock separator trawl/Ruhle trawl when targeting haddock in the Georges Bank Regulated Mesh Area to use 6 inch mesh in the codend.
- 21.5** Exemption from the minimum codend mesh size restrictions for trawl gear when fishing in compliance with provisions of the Redfish Exemption Program.

In addition to the Universal Exemptions granted to all Sectors, as referenced above and in §4.0 of this Agreement, **Members agree to abide by the following obligations as specified and authorized in their LOA, in order to utilize these Sector Specific Exemptions. Furthermore, Members acknowledge that specific details pertaining to certain exemptions are located in Exhibit B as required by NMFS:**

- 21.6** DAS Leasing Program Length and Horsepower Restrictions

22. MONITORING. NA

22.1 USE OF MONITORING SERVICES. NA

Exhibit A

22.2 COVERAGE RATES: NA

22.3 ADDITIONAL COVERAGE: NA

22.4 AT-SEA MONITORING AND/OR ELECTRONIC MONITORING PROVIDER: NA

23. AT SEA MONITORING PROGRAM GOALS AND OBJECTIVES: NA

24. SECTOR AT-SEA MONITORING PROGRAM: NA

25. RESERVED FOR FUTURE USE:

26. OFFLOADING PORTS: NA

27. SAFE HARBOR PROTOCOL: NA

28. 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:

28.1 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.

28.2 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.

28.3 **ADDITIONAL EXEMPTIONS:** Members note that NMFS is generating one Environmental Assessment for all sectors seeking authorization for Fishing Year 2023 & 2024, and that NMFS communication has stated that if an exemption is approved for one Sector, all other authorized Sectors can be similarly approved for that specific exemption based on the terms and conditions of the originally requesting sector. In light of this understanding, NEFS IV will request authorization for such exemptions it deems beneficial for its operations, prior to the publication of the final authorizing rule.

28.3.1 Furthermore, NMFS has indicated that Sectors will be afforded the opportunity to request additional exemptions for the 2nd year of operations i.e. FY 2024 in accordance with a supplemental schedule to be established by NMFS.

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

Exhibit B: Additional Details Regarding Specific Approved Sector Exemptions

NA

Exhibit C:

Sector Membership Fishing Year 2023 (May 1, 2023 to April 30, 2024)

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

<u>MRI</u>	<u>Permit Number</u>	<u>Vessel Name</u>	<u>Sector Member</u>
56	CPH		Gloucester Fishing Community Preservation Fund, Inc
125	CPH		Gloucester Fishing Community Preservation Fund, Inc
147	CPH		Gloucester Fishing Community Preservation Fund, Inc
200	CPH		Gloucester Fishing Community Preservation Fund, Inc
234	CPH		Gloucester Fishing Community Preservation Fund, Inc
246	CPH		Gloucester Fishing Community Preservation Fund, Inc
257	CPH		Gloucester Fishing Community Preservation Fund, Inc
272	CPH		Gloucester Fishing Community Preservation Fund, Inc
356	CPH		Gloucester Fishing Community Preservation Fund, Inc
358	CPH		Gloucester Fishing Community Preservation Fund, Inc
432	CPH		Gloucester Fishing Community Preservation Fund, Inc
444	CPH		Gloucester Fishing Community Preservation Fund, Inc
467	150479	Over the Horizon	Gloucester Fishing Community Preservation Fund, Inc
468	CPH		Gloucester Fishing Community Preservation Fund, Inc
476	CPH		Gloucester Fishing Community Preservation Fund, Inc
498	CPH		F/V EMILIE INC
502	CPH		Gloucester Fishing Community Preservation Fund, Inc
505	CPH		Gloucester Fishing Community Preservation Fund, Inc
588	CPH		Gloucester Fishing Community Preservation Fund, Inc
594	CPH		Gloucester Fishing Community Preservation Fund, Inc
665	CPH		Gloucester Fishing Community Preservation Fund, Inc
684	CPH		Gloucester Fishing Community Preservation Fund, Inc
794	CPH		Gloucester Fishing Community Preservation Fund, Inc
868	CPH		Boston Sustainable Fishing Preservation Fund Inc
910	CPH		Gloucester Fishing Community Preservation Fund, Inc
985	CPH		Gloucester Fishing Community Preservation Fund, Inc
1011	CPH		Gloucester Fishing Community Preservation Fund, Inc
1263	CPH		Gloucester Fishing Community Preservation Fund, Inc
1279	CPH		Gloucester Fishing Community Preservation Fund, Inc
1288	CPH		Gloucester Fishing Community Preservation Fund, Inc

1320	CPH		Gloucester Fishing Community Preservation Fund, Inc
1332	CPH		Gloucester Fishing Community Preservation Fund, Inc
1365	CPH		Gloucester Fishing Community Preservation Fund, Inc
1447	CPH		Gloucester Fishing Community Preservation Fund, Inc
1469	CPH		Gloucester Fishing Community Preservation Fund, Inc
1491	CPH		Gloucester Fishing Community Preservation Fund, Inc
1530	CPH		Gloucester Fishing Community Preservation Fund, Inc
1551	CPH		Gloucester Fishing Community Preservation Fund, Inc
1650	CPH		Gloucester Fishing Community Preservation Fund, Inc
1709	CPH		Gloucester Fishing Community Preservation Fund, Inc
1712	CPH		Gloucester Fishing Community Preservation Fund, Inc
1770	CPH		Gloucester Fishing Community Preservation Fund, Inc
1812	CPH		Boston Sustainable Fishing Preservation Fund Inc
1830	CPH		Guiseppe Palazzolo
1855	CPH		Gloucester Fishing Community Preservation Fund, Inc
1867	CPH		Gloucester Fishing Community Preservation Fund, Inc
1880	CPH		Gloucester Fishing Community Preservation Fund, Inc
1967	CPH		Gloucester Fishing Community Preservation Fund, Inc
2004	CPH		Gloucester Fishing Community Preservation Fund, Inc
2023	CPH		Gloucester Fishing Community Preservation Fund, Inc
2044	CPH		Gloucester Fishing Community Preservation Fund, Inc
2112	CPH		Gloucester Fishing Community Preservation Fund, Inc
2265	CPH		Gloucester Fishing Community Preservation Fund, Inc
2356	CPH		Gloucester Fishing Community Preservation Fund, Inc
2678	CPH		Gloucester Fishing Community Preservation Fund, Inc
2739	CPH		Gloucester Fishing Community Preservation Fund, Inc
4304	CPH		Gloucester Fishing Community Preservation Fund, Inc

ACTIVE MEMBERS: There are no Active Members authorized in NEFS IV.

EXHIBIT D

Sector Member and Vessel Permits Amendment 16 Disclosure Requirements Fishing Year 2023 (May 1, 2023 to April 30, 2024)

Sector Members have enrolled all eligible Limited Access Multispecies Permits into a Sector.

OR Details To be provided with TBD Roster Submission

[INSERT TABLE]

Additional Information on federal permits associated with Sector Vessels and Sector Members:

[INSERT TABLE]

Additional Information on state permits associated with Sector Vessels and Sector Members:

[INSERT TABLE]

EXHIBIT E: Penalty Schedule

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

Exhibit F:Administrative Provisions Addendum:

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

SECTOR OPERATIONS PLAN AND AGREEMENT

1. Sector Name.
2. Sector Eligibility and Membership.
4. Sector Allocation and Exemptions.
5. Distribution of Sector ACE.
6. Sector Manager and Registered Agent.

6.1 Communication with Sector.

7. Consolidation Plan.

7.1 Harvest Share Reserve.

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

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

7.3 Harvest Share Transfer.

7.4 Harvesting Rules and Fishing Plan. Section 7.4 is administrative except to the extent that it applies to Harvesting Rules Sections 1, 5, 6, 8, 11, 16, and 17, which are enforceable and therefore not considered administrative under this section. This section is also administrative except to the

extent that it applies to Harvesting Rules Section 7 Stock Area Declaration. Sub-Section 7.1 is administrative in nature.

7.5 Re-direction of Effort.

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

7.7 Consolidation and Redistribution of ACE:

8. Release of Catch Data.

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

10. Breach and Remedies for Breach.

10.1 Liquidated Damages Schedule and Schedule Amendments.

10.2 Enforcement Committee.

10.3 Liquidated Damages Base Value and Multiplier Adoption.

10.4 Liquidated Damages Calculation.

10.5 Notice to Vessel Masters; Assumption of Liability.

10.6 Liquidated Damages Security.

10.7 Manager Action in Response to Apparent Breach.

10.8 Member Appeals.

10.9 Voluntary Compliance.

10.11 Consequential Damages for Gross Negligence or Willful Misconduct.

10.12 Distribution of Damages.

11. Joint Liability and Indemnification.

12. Membership Termination

15. Permit Transfer/Sale: Except, in the event a court or arbitration panel issues an order directing parties to stop any ongoing processing of a permit transfer. In such a case NOAA is requested to comply with said order and suspend any permit transfer work until the dispute is fully resolved.

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

17. Sector Membership Fees.

18. Binding Arbitration.

19. No Collective Marketing.

20. Amendment and Incorporation by Reference.

EXHIBIT A - HARVESTING RULES

2. QUOTA MANAGEMENT:

3. RESERVE:

4. SLOWING CATCH:

7.1 INSHORE GULF OF MAINE DECLARATION

11.1 CLOSED AREA II GEAR SHARING AGREEMENT

12. CATCH REPORTS:

18. RESERVED FOR FUTURE USE:

19. DATA MANAGEMENT:

22. MONITORING: In the event that ASM is funded by NMFS, any additional coverage funded by the Sector, above that which is funded and managed by NMFS, will be administrative, except in those specific situations where NMFS enforcement would apply.

22.1 USE OF MONITORING SERVICES:

22.3 ADDITIONAL COVERAGE

23. AT SEA MONITORING PROGRAM GOALS AND OBJECTIVES

25. RESERVED FOR FUTURE USE

27: SAFE HARBOR PROTOCOL:

28. SECTOR UNDERSTANDING AND ACKNOWLEDGEMENTS

29: MODIFICATION OF HARVESTING RULES

Exhibit C – Sector Roster, as it relates to identification of Active Vessels is administrative

Exhibit D – Additional Permit Information is administrative

Exhibit E – Penalty Schedule is administrative.

Exhibit F – Administrative Addendum is administrative

Exhibit G - Explanatory Addendum is administrative

Exhibit H – Contact Info is administrative

Exhibit G: EXPLANATORY ADDENDUM

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

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

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

Exhibit H: INFORMATIONAL ADDENDUM

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

Sector Communications Contacts					Mailing Address			
Name	Title	Responsibility	Email	Phone	Street 1	City	State	Zip
Vito Giacalone	Manager	<ul style="list-style-type: none">• Day-to-Day Sector Operations• Reporting i.e. vessel reporting requirements involving sector trips.• Sector Specific Outreach• Sector Specific Research;• Fishing Vessel specific research is vessel specific, contact vessel						
Elizabeth Etrie	Program Director, Northeast Sector Service Network	Data Management i.e. questions regarding software systems utilized by Sector for Weekly Report Computation						
Jackie Odell	Executive Director, Northeast Seafood Coalition	Policy						
Owner of F/V	Owner of F/V	Sector Specific Research; Fishing Vessel specific research is vessel specific, contact vessel						

EXHIBIT I: FY 2024 (MAY 1, 2022-APRIL 30, 2024) Operations Plan Updates

[To be completed in accordance with NMFS schedule for year two, FY 2024 (May 1, 2024 – April 30, 2024) of the Sectors Bi-Annual Operations Plan and Agreement]

Exhibit J: ASM Provisions

NA