March 26, 2019

Dr. James Balsiger  
Regional Administrator  
National Marine Fisheries Service – Alaska Region  
P.O. Box 21668  
Juneau, Alaska, 99802-1668

Dear Dr. Balsiger,

The members of the Inshore Salmon Saving Incentive Plan (ISSIP) wish to amend their IPA (identified as IPA #1). This amended IPA is intended to replace the amended ISSIP Agreement accepted by NMFS on January 19, 2017. All required elements for an IPA as described in the regulations under Amendment 110 remain in the ISSIP Agreement as do the key incentive elements of the ISSIP. The changes in this amended ISSIP Agreement are summarized as follows:

1. Section 1.3. Annual Use Limit. The Annual Use Limit, previously a fixed number assigned to each vessel, may now be adjusted by trading via intra-cooperative transfers.

2. Section 2. Agreement Summary and Incentive Plan Description. A statement confirming the requirement for salmon excluder use has been added to the ISSIP description.

3. Section 3.4. Insurance Pool “Top Off” Deductions. The deduction for the ISSIP Insurance Pool has been reduced from 1,000 Chinook credits to 500 credits.

4. Section 5. Restrictions on Salmon Credit Usage. Savings Credit usage is no longer restricted for vessels that have transferred more than 5 Base Cap Credits out of its account in a year.

5. Section 6.2. Transfer Tax. The Transfer Tax that may have been applied to Base Cap Transfers when certain conditions were met has been eliminated.

6. Section 6.4.2. Blended Paired Transfers. This type of transfer has been eliminated from the IPA as it proved to be overly cumbersome and had become rarely used. Elimination of Blended Paired Transfers included elimination of calculating Salmon Credit Transfer Ratios.
7. Section 7.2. **Insurance Pool Repayment and Usage Assessments.** The penalty assessment for vessels that use Insurance Pool Credits and have been deemed as “Qualified” users are no longer assessed a penalty for having done so. They do still have to repay the insurance pool for the amount of Credits used.

8. Section 8.4. **October Fishing Restrictions.** The previous ISSIP defined the “September Chinook Bycatch Standard” as 2 standard deviations above the mean September ISSIP bycatch rate for the years 2011 – 2016 but did not include the actual number. That calculation is now stated in the ISSIP and is 0.103.

9. Section 9.4.2. **Chum Salmon Base Rates.** Base Rate “floors” were mistakenly omitted when the chum salmon rolling hot spot program was added to the ISSIP. Floor rates of 0.19 have been added for the months of June and July, 0.50 for the month of August, and 1.00 for the months of September and October.

10. Section 9.4.3. **Chum Tier Assignments.** Vessel chum salmon bycatch rate calculations have been modified to a 2 week fishing period from a 3 week fishing period. This makes the ISSIP vessel calculation consistent with other IPAs, simplifying management of the ISSIP for the Agreement Monitor (Sea State, Inc.)

100% of the AFA inshore qualified catcher vessels continue to participate in the Inshore SSIP. At the time of this amended IPA application all AFA inshore qualified vessels are members of the six active inshore cooperatives. This amended ISSIP Agreement has been signed by the six inshore cooperative representatives on behalf of all their members. Exhibit 1 of the ISSIP Agreement lists the participating vessels by their current cooperative membership and includes each vessel’s ADF&G number, Federal Fisheries/AFA Permit number, and USCG Documentation number. Per Section 12.1, obligations under the ISSIP Agreement are assumed by individual vessels and vessel owners, and under the ISSIP’s terms they remain subject to those obligations even if they move from their current cooperative to another cooperative or to the “open access” pool.

The amended Agreement has been signed by the following inshore cooperative representatives:

Christian Asay – President, Akutan Catcher Vessel Association  
Hunter Berns – President, Northern Victor Fleet Cooperative  
Mike Martin – President, Peter Pan Fleet Cooperative  
Chris Kline – President, Unalaska Fleet Cooperative  
Jeff Hendricks – President, UniSea Fleet Cooperative  
Marcus Alden – President, Westward Fleet Cooperative

Since the last amended ISSIP was approved there have been several vessel changes within the inshore sector. The Arctic Wind (AFA #5137) has replaced the Peggy Jo (AFA #979), resulting in the Arctic Wind now holding the pollock histories of both vessels. The Leslie Lee (AFA #1234) replaced the Predator (AFA #1275), resulting in the Leslie Lee now holding the pollock.

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histories of both vessels. The MarGun (AFA #524) was declared a loss and was replaced by a “new to the AFA” vessel the Margun (AFA #34751).

As noted in the amended IPA, I remain the Representative for the Inshore Chinook SSIP IPA. My telephone number is (206) 282-2599 and e-mail address is jgruver@ucba.org.

By this letter I claim, swear, and affirm that each owner, vessel, or CDQ group, from whom I received written notification, requesting to join this IPA has been allowed to join this IPA subject to the same terms and conditions that have been agreed on by, and are applicable to, all other parties to the IPA.

Additionally, under penalty of perjury, I certify by my signature below that I have examined the information and the claims provided on this application and, to the best of my knowledge and belief, the information presented here is true, correct, and complete.

Sincerely,

John F. Gruver
Inshore SSIP Representative, IPA #1
United Catcher Boats
Seattle, WA
This Fourth Amended and Restated INSHORE CHINOOK SALMON SAVINGS INCENTIVE PLAN AGREEMENT is entered into by and among AKUTAN CATCHER VESSEL ASSOCIATION, NORTHERN VICTOR FLEET COOPERATIVE, PETER PAN FLEET COOPERATIVE, UNALASKA FLEET COOPERATIVE, UNISEA FLEET COOPERATIVE, WESTWARD FLEET COOPERATIVE (together, the “Inshore Sector Cooperatives”), UNITED CATCHER BOATS (“UCB”), and SEA STATE, INC. (“Sea State”) as of March 26, 2019, with respect to the following facts:

RECITALS

A. The North Pacific Fishery Management Council has adopted Amendment 110 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area (“Amendment 110”). Amendment 110 imposes limits on the amount of Chinook salmon that may be taken as incidental catch in the Bering Sea pollock fishery and closes certain “Salmon Savings Areas” to pollock fishing when the incidental catch of chum salmon exceeds a regulatory threshold amount.

B. Under Amendment 110, Community Development Quota (“CDQ”) organizations and owners of Bering Sea pollock fishing vessels that enter into an “incentive plan agreement” (“IPA”) that contains certain required elements and is approved by the National Marine Fisheries Service (“NMFS”) receive the benefits of higher Chinook salmon caps and Salmon Savings Area closure exemptions.

B. The Inshore Sector Cooperatives and the Vessel Owners have determined there are substantial benefits associated with being parties to an IPA approved by NMFS and have therefore elected to enter into this Agreement and to submit it to NMFS for approval.

AGREEMENT

1. Definitions. The following terms shall have the following meanings when used in this Agreement.

1.1 Annual Threshold Amount. The “Annual Threshold Amount” is the annual number of Chinook salmon allocated to the members of a Bering Sea pollock fishery sector or to Bering Sea CDQ organizations under the annual Chinook salmon “performance standard” limit set by NMFS.

1.2 Annual Vessel Percentage. The “Annual Vessel Percentage” is each Vessel’s and Opt-In Vessel’s imputed harvest share of the Bering Sea pollock fishery, as published by NMFS from time to time, and each the percentage assigned to each CDQ Vessel by the CDQ organization for which it is harvesting pollock, as communicated by such organization to the Manager and the Monitoring Agent.

1.3 Annual Use Limit. The “Annual Use Limit” is (i) each Vessel’s share of the annual Chinook salmon PSC limit for the Bering Sea pollock fishery inshore sector, net of any Insurance Pool deductions made pursuant to Section 3, below; (ii) each Opt-In Vessel’s share of the annual Chinook salmon PSC limit for the Bering Sea pollock fishery sector, other than the inshore sector, in which the
Opt-In Vessel is eligible to participate; and (iii) each CDQ Vessel’s share of the annual Chinook salmon PSC assigned to the CDQ organization whose pollock allocation it is harvesting, as determined by that CDQ organization and communicated to the Manager and the Monitoring Agent. Each Vessel’s Annual Use Limit is calculated by adding the Vessel Percents for all of the Vessels in the Cooperative of which such Vessel is a member, dividing such Vessel’s Percent by the total Percent amount that is the product of that addition, multiplying the Cooperative Hard Cap for the Cooperative of which the Vessel is a member by the product of that division, and then deducting all Insurance Pool repayments and usage assessments charged to such Vessel during the relevant fishing year. Each Opt-In Vessel’s Annual Use Limit is the amount of Chinook salmon PSC that the Opt-In Vessel is limited to using during the relevant fishing year by the Chinook salmon bycatch “entity” of which it is a member. Each CDQ Vessel’s Annual Use Limit is the amount of Chinook salmon PSC that the CDQ Vessel is limited to using during the relevant fishing year by the CDQ organization for which it is harvesting CDQ pollock under the terms of this Agreement. Notwithstanding the foregoing provisions of this Section 1.3, a Vessel’s Annual Use Limit shall be increased by an intra-cooperative transfer within the Inshore Cooperative of which such Vessel is a member or an inter-cooperative transfer or inter-entity transfer to the Inshore Sector Cooperative of which such Vessel is a member made for the benefit of that Vessel in accordance with this Agreement.

1.4 Available Credit Limit. Each Vessel’s, Opt-In Vessel’s and CDQ Vessel’s “Available Credit Limit” is the lesser of (i) the remaining balance of its annual Base Cap Credits and Salmon Savings Credits in its account, or (ii) its Annual Use Limit.

1.5 Available Cap Credits. Each Vessel’s, Opt-In Vessel’s and CDQ Vessel’s “Available Cap Credits” are the amount of the Vessel’s, Opt-In Vessel’s or CDQ Vessel’s unused Salmon Credits that such Vessel may use, subject to its Available Credit Limit.

1.6 Base Cap Credits. “Base Cap Credits” are units of Bering Sea Chinook salmon PSC bycatch that are annually allocated to Vessels, Opt-In Vessels and CDQ Vessels under Section 3 of this Agreement.

1.7 Base Cap Credit Allocation. A Vessel’s “Base Cap Credit Allocation” is that Vessel’s annual allocation of Base Cap Credits, as adjusted by Base Cap Credit transfers made in accordance with this Agreement. Each Vessel’s, Opt-In Vessel’s and CDQ Vessel’s Base Cap Credit Allocation is such Vessel’s share of the Annual Threshold Amount, as calculated and adjusted by the Manager in accordance with Section 3 of this Agreement, and as further adjusted by Base Cap Credit transfers made in accordance with this Agreement.

1.8 CDQ Vessels. CDQ Vessels are vessels that harvest Bering Sea pollock allocated to a CDQ group which has opted to participate in the Chinook salmon bycatch avoidance IPA implemented under this Agreement in accordance with the regulations implementing Amendment 110. A Vessel or Opt-In Vessel that harvests pollock allocated to a CDQ organization shall be deemed a CDQ Vessel in connection with each trawl tow during which it does so. Pursuant to Section 11, below, the individual(s) or entity or entities that own a CDQ Vessel and the CDQ organization whose pollock allocation the CDQ Vessel is harvesting shall be deemed to assume all legal responsibility and liability associated with such CDQ Vessel’s obligations under this Agreement.
1.9 **Cooperatives.** The “Cooperatives” are collectively the Inshore Sector Cooperatives and the Virtual Cooperative. Each of the Cooperatives is referred to individually as a “Cooperative”.

1.10 **Cooperative Hard Cap.** “Cooperative Hard Cap” is (i) for Inshore Sector Cooperatives, the annual amount of Chinook salmon PSC that NMFS allocates to that Inshore Sector Cooperative, and (ii) for the Virtual Cooperative, the sum of (a) the annual amount of Chinook salmon PSC allocated to Vessels participating in the inshore sector “open access” fishery, (b) the sum of the Opt-In Vessels’ Annual Use Limits, and (c) the sum of the CDQ Vessels’ Annual Use Limits.

1.11 **Hardship Transfer.** A “Hardship Transfer” is a Paired Transfer from a vessel that is unable to complete its pollock harvest for a season as the result of mechanical breakdown, collision, grounding or comparable event outside of the vessel owner’s control, to one or more vessels that harvest the disabled vessel’s Cooperative pollock harvest share for that season.

1.12 **Inshore Sector Cooperative.** An “Inshore Sector Cooperative” is an American Fisheries Act (“AFA”) Bering Sea pollock fishery inshore sector cooperative that is recognized as such by NMFS under the regulations implementing Amendment 110 and that is a party to this Agreement.

1.13 **Insurance Pool.** The “Insurance Pool” is a pool of Base Cap Credits funded by deducting Base Cap Credits from the Inshore Sector Cooperative Vessels’ annual Base Cap Credit Allocations. The Insurance Pool is used to cover Chinook salmon PSC bycatch by Inshore Sector Cooperative Vessels that exceed their Available Credit Limit. The Insurance Pool is not available to Vessels in the Virtual Cooperative.

1.14 **Manager and IPA Representative.** The Manager is Mr. John Gruver, an employee of UCB. For purposes of this Agreement, Mr. Gruver is the “IPA Representative” as defined in NMFS regulations implementing Amendment 110 and is responsible for submitting proposed amendments to the ISSIP and the annual report required by the Amendment 110 regulations. Mr. Gruver’s telephone number is (206) 282-2599, and his email address is jgruver@ucba.org.

1.15 **Monitoring Agent.** The Monitoring Agent is Sea State.

1.16 **Mop-Up Transfers.** “Mop-Up Transfers” are Paired Transfers by one or more Vessels in an Inshore Sector Cooperative to a single Vessel in the same Inshore Sector Cooperative to enable the transferee Vessel to complete a Cooperative’s seasonal pollock harvest on behalf of all of the Inshore Sector Cooperative’s members.

1.17 **Opt-In Vessels.** “Opt-in Vessels” are vessels that are eligible to harvest pollock from the Bering Sea pollock fishery mothership sector or catcher/processor sector allocation under the AFA, which have opted to participate in the Chinook salmon bycatch avoidance IPA implemented under this Agreement in accordance with the regulations implementing Amendment 110. A Vessel that is qualified to harvest pollock from both the inshore and mothership sectors of the Bering Sea pollock fishery shall be deemed a Vessel for purposes of its fishing activity as a member of an Inshore Sector Cooperative under this Agreement, and shall be deemed an Opt-In Vessel for purposes of its harvest of pollock from the mothership sector allocation under this Agreement. Pursuant to Section 11, below, the individual(s) or entity or entities that own an Opt-In Vessel shall be deemed to assume all legal responsibility and liability associated with such Opt-In Vessel’s obligations under this Agreement.
1.18 **Paired Transfers.** "Paired Transfers" are simultaneous transfers of Salmon Credits and Cooperative pollock harvest share between two or more vessels in the same Cooperative, including Vessels that are deemed to be members of the same Cooperative pursuant to an Amendment 69 fishing agreement. There are three types of Paired Transfers: "Hardship Transfers", "Mop-Up Transfers" and "Trip-Specific Paired Transfers". Paired Transfers are not permitted between vessels in different Bering Sea pollock fishery sectors, between a non-CDQ Vessel and a CDQ Vessel, or between two CDQ Vessels fishing for different CDQ organizations. However, Paired Transfers may be made between Vessels in the Virtual Cooperative, if pollock harvest shares have been allocated between or among Vessels in the Virtual Cooperative.

1.19 **Salmon Credits.** Each “Salmon Credit” is equal to one Chinook salmon that the holder is eligible to take as PSC bycatch in the Bering Sea directed pollock fishery, subject to the terms and conditions of this Agreement. Salmon Credits are annually allocated as Base Cap Credits, and can be earned as Salmon Savings Credits. Inter-"entity" transfers of salmon bycatch units into an Inshore Sector Cooperative, Vessel, Opt-In Vessel or CDQ Vessel account from another Bering Sea pollock fishery sector or a CDQ organization shall become Salmon Credits upon completion of the transfer.

1.20 **Salmon Savings Credits.** “Salmon Savings Credits” are Salmon Credits that Vessels, Opt-In Vessels or CDQ Vessels earn by catching less Bering Sea Chinook salmon while participating in the Bering Sea directed pollock fishery during a particular year than the amount of Salmon Credits that the Vessel, Opt-In Vessel or CDQ Vessel receives as its Base Cap Credit Allocation for that year, as calculated in accordance with Section 4 of this Agreement.

1.21 **Seasonal Hard Cap Amount.** “Seasonal Hard Cap Amount" is the annual amount of Chinook salmon PSC which the Vessels, Opt-In Vessels or CDQ Vessels in a Cooperative are prohibited by regulation from exceeding during the relevant Bering Sea pollock fishery season. NMFS will assign an annual “A” season Seasonal Hard Cap Amount and an annual “B” season Seasonal Hard Cap Amount to each Inshore Sector Cooperative, pursuant to 50 CFR 679.21(f). The Manager shall calculate the Seasonal Hard Cap Amounts for the Vessels, Opt-In Vessels and CDQ Vessels in the Virtual Cooperative.

1.22 **Trip-Specific Paired Transfers.** “Trip Specific Paired Transfers” are Paired Transfers originating from one or more Vessel(s) to a single harvesting Vessel during a fishing trip. A portion of the trip may be assigned to the harvesting Vessel as well as to the transferor Vessel(s).

1.23 **Vessels.** “Vessels” are the catcher vessels eligible to harvest pollock from the Bering Sea pollock fishery inshore sector allocation under the AFA that are (i) either assigned to a Cooperative or fishing in the inshore sector "open access" fishery and (ii) participating in the Chinook salmon PSC savings IPA implemented by this Agreement. Pursuant to Section 11, below, the individual(s) or entity or entities that own a Vessel shall be deemed to assume all legal responsibility and liability associated with such Vessel’s obligations under this Agreement.

1.24 **Virtual Cooperative.** “Virtual Cooperative” means the group composed of the Vessels that are fishing in the inshore sector "open access" fishery during a given year, the Opt-In Vessels and the CDQ Vessels. For purposes of this Agreement, such group shall be treated as an association with certain rights and obligations among its members as provided under this Agreement, even though it is not organized as such.
1.25 **Salmon Excluder.** A "Salmon Excluder" means a salmon bycatch reduction device ("BRD") located in a vessel's trawl that is constructed and installed in a manner generally recognized by parties to this Agreement as having proven effective for reducing salmon bycatch or, if a newly developed salmon BRD, as being reasonably likely to further reduce salmon bycatch.

1.26 **Third Party Group.** The Bering Sea Fisherman's Association will serve as the ISSIP Agreement's "Third Party Group".

2. **Agreement Summary and Incentive Plan Description.** The vessels participating in this IPA receive an annual allocation of Chinook salmon bycatch units, which limits their Chinook salmon PSC bycatch to their pro-rata share of the Chinook salmon PSC performance standard, less Insurance Pool deductions for Inshore Cooperative Vessels. A vessel can earn additional Chinook bycatch units by catching fewer Chinook salmon PSC as bycatch than the amount of its annual allocation, at a rate of one (1) additional unit for every three (3) allocated units that are not used. The Insurance Pool is a Chinook bycatch unit reserve, which is available to inshore Sector Cooperative Vessels whose Chinook bycatch exceeds the number of bycatch units they hold. Inshore Sector Cooperative Vessels using Insurance Pool bycatch units are required to repay the Insurance Pool, and may be required to pay an additional Insurance Pool usage penalty. If the inshore sector's Chinook salmon bycatch exceeds its performance standard for two (2) years in a six (6) consecutive year period, each Cooperative is required to take all actions necessary to insure that the Chinook salmon bycatch of its Vessels does not exceed the Annual Threshold Amount for a third (3rd) year in a seven (7) consecutive year period. The Manager will issue stop fishing orders to prevent exceeding the Performance Standard a third time in seven consecutive years as may be appropriate. A rolling hot spot closure program closes areas of relatively high Chinook or chum salmon PSC bycatch to vessels that have relatively high rates of Chinook and chum salmon bycatch. Salmon excluder devices are required to be used from January 20th to March 31st, and from September 1 until the end of the B season.

Sections 2.1 through 2.13 below provide the IPA description required under 50 C.F.R. § 679.21(f)(12)(iii)(E).

2.1 **Describe the incentive(s) that will be implemented under the IPA for the operator of each vessel participating in the IPA to avoid Chinook salmon and chum salmon bycatch under any condition of pollock and Chinook salmon abundance in all years.**

**Earning and Using Savings Credits.** The vessels participating in the Inshore Salmon Savings Incentive Plan implemented by this Agreement (the "ISSIP") receive annual allocations of Chinook salmon bycatch credits. A vessel that uses all of its Chinook bycatch credits must stop fishing until it acquires additional credits. A vessel can earn additional Chinook bycatch credits by catching fewer Chinook salmon as bycatch than the amount of its annual allocation, at a rate of one (1) additional credit for every three (3) allocated credits that are not used. Bering Sea salmon abundance is highly variable, as are the timing and location of bycatch events. Therefore, in years of high Chinook salmon abundance, there is a substantial risk that a vessel will have Chinook bycatch that exceeds its annual bycatch credit allocation, even if it is exercising prudent avoidance measures. Vessels can use the additional credits they earn to cover Chinook salmon bycatch that exceeds their annual allocation, and thereby continue fishing. Vessel operators therefore have an incentive to avoid Chinook bycatch...
whenever possible, both to earn additional Chinook bycatch credits and to avoid using them unnecessarily, in order to have them available for years of high Chinook abundance.

**Bycatch Credit Buffer Amount.** The ISSIP includes a Chinook bycatch credit reserve (Insurance Pool), which is available to Inshore Cooperative vessels whose Chinook bycatch exceeds the number of bycatch credits they hold. Inshore Cooperative vessels using bycatch reserve credits are required to repay them, and may be required to pay an additional usage penalty. The risk that they may be required to pay a penalty provides vessel operators with incentives to fish cautiously, and not to fish up to their Chinook bycatch credit account balance, even when bycatch remains available under Amendment 110’s inshore sector “performance standard” limit.

**Performance Standard Compliance.** If the inshore sector’s Chinook salmon bycatch exceeds its performance standard limit for two (2) years in a six (6) consecutive year period, each Inshore Cooperative is required to take all actions necessary to insure that the Chinook salmon bycatch of its member vessels does not exceed their share of that limit for a third year in a seven consecutive year period. Vessels may be ordered to stop fishing for Bering Sea pollock by the Inshore Cooperative of which they are a member, even if they have remaining Chinook bycatch credits.

**Rolling Hot Spot Program.** A rolling hot spot (RHS) closure program closes Bering Sea pollock fishery areas with relatively high Chinook or chum salmon bycatch rates to vessels that have relatively high rates of bycatch. Pollock catch rates vary by area through the course of a season, often unpredictably, so vessel operators wish to maintain maximum flexibility concerning where they may fish. Therefore, they have an incentive to avoid Chinook and chum salmon bycatch, to avoid being excluded from otherwise accessible fishing areas.

2.2 **Describe how the incentive(s) to avoid chum salmon do not increase Chinook salmon bycatch.**

To avoid relocating vessels to areas of higher Chinook bycatch, the chum RHS closure program is only implemented when Chinook bycatch rates are low.

2.3 **Describe the rewards for avoiding Chinook salmon, penalties for failure to avoid Chinook salmon at the vessel level, or both.**

The rewards for avoiding Chinook salmon are additional Chinook bycatch credits and unrestricted access to Chinook bycatch closure areas. The penalties for failing to avoid Chinook salmon bycatch are losing fishing privileges (if a vessel uses all of its Chinook bycatch credits), losing access to areas closed because Chinook bycatch rates are relatively high, and loss of October fishing privileges if a vessel is unable to maintain an acceptable Chinook bycatch rate.

2.4 **Describe how the incentive measures in the IPA are expected to promote reductions in a vessel’s Chinook salmon and chum salmon bycatch rates relative to what would have occurred in the absence of the incentive program.**

In the absence of the incentive program, fishermen would not be rewarded for avoiding salmon in years when bycatch rates are low enough that there is little danger of triggering a regulatory fishing closure. Under the incentive program, fishermen have an incentive to avoid Chinook salmon at all levels.
of encounter, because they can earn additional Chinook bycatch credits they can use when bycatch rates are higher, and/or when they have an unexpected and significant Chinook bycatch event. Fishermen have an incentive to avoid chum salmon at all levels of encounter, as their chum RHS closure program status depends on their relative bycatch performance, and they can earn access to chum bycatch closure areas by keeping their chum bycatch rates relatively low.

2.5 **Describe how the incentive measures in the IPA promote Chinook salmon and chum salmon savings in any condition of pollock abundance or Chinook salmon abundance in a manner that is expected to influence operational decisions by vessel operators to avoid Chinook salmon and chum salmon.**

Because salmon bycatch is highly variable in location, frequency, and amount, there is always a significant risk that a vessel could experience an unexpected bycatch event, and exceed its Chinook bycatch credit allocation or lose its favorable chum salmon bycatch rate status. To mitigate this risk, each vessel has an incentive to minimize Chinook salmon bycatch at all levels of pollock and Chinook abundance, in order to earn additional Chinook bycatch credits. In addition, the Chinook and chum RHS programs evaluate bycatch performance at the individual vessel level, so each vessel operator has an incentive to avoid salmon to preserve their vessel’s access to bycatch closure areas. To assist them in avoiding Chinook and chum salmon, each vessel operator is continually provided with up-to-date bycatch information on the ISSIP website and through automatically generated emails concerning the timing and location of high bycatch trawl tows.

2.6 **Describe how the IPA ensures that the operator of each vessel governed by the IPA will manage that vessel’s Chinook salmon bycatch to keep total bycatch below the Chinook performance standard for the sector in which the vessel participates.**

Each vessel is allocated a share of their sector’s Chinook bycatch performance standard. If a sector exceeds its performance standard twice in a six year period, the ISSIP limits vessels fishing in that sector to their share of their sector’s performance standard, to prevent them from exceeding it for a third time within a seven year period. For inshore sector vessels, a Chinook bycatch credit buffer is reserved as an “insurance pool” before annual Chinook bycatch units are allocated, to mitigate the risk that an unexpected bycatch event could cause the sector to exceed its performance standard. The ISSIP manager may order vessels to stop fishing to prevent the sector from exceeding the performance standard.

2.7 **Describe how the IPA ensures that the operator of each vessel governed by the IPA will manage that vessel’s chum salmon bycatch to avoid areas and times where the chum salmon are likely to return to western Alaska.**

The chum salmon RHS program is designed to close areas with elevated chum bycatch when that bycatch is more likely to contain a higher percentage of western Alaskan origin chum salmon (i.e., early in the pollock B season). As additional information regarding the composition of chum bycatch becomes available, the ISSIP will be modified to reduce the risk that chum bycatch is of western Alaskan origin.
2.8 Describe the rolling hot spot program for salmon bycatch avoidance that operates throughout the entire A season and B season and the agreement to provide notifications of closure areas and any violations of the rolling hot spot program to the third party group.

The ISSIP includes a RHS program that is in effect throughout the entire A and B seasons. The Bering Sea Fishermen’s Association has agreed to be the third party group that will receive notifications of RHS program closure areas and violations.

2.9 Describe the restrictions or penalties targeted at vessels that consistently have significantly higher Chinook prohibited species catch (“PSC”) rates relative to other vessels fishing at the same time.

Vessels that fail to earn additional Chinook bycatch units by avoiding Chinook bycatch will be at greater risk of having their pollock fishing restricted during years of high Chinook abundance, or as the result of a significant Chinook bycatch event. The RHS program prioritizes Chinook salmon protection, and restricts vessels with higher than average Chinook bycatch rates from fishing in areas with elevated Chinook bycatch rates.

2.10 Describe the requirement for vessels to enter a fishery-wide in-season PSC data sharing agreement.

This Agreement participates in a fishery-wide in-season data sharing agreement as described in Section 9.6 and found in Exhibit 2.

2.11 Describe the requirement for the use of salmon excluder devices, with recognition of contingencies, from January 20th to March 31st, and from September 1 until the end of the B season.

The requirement to use salmon excluder devices for the periods specified above is in Section 10 of this Agreement.

2.12 Describe the requirement that salmon savings credits are limited to a maximum of three years for IPAs with salmon savings credits.

Salmon Savings Credits are limited to a maximum of three years duration in Section 4.4 of this Agreement.

2.13 Describe the restrictions or performance criteria used to ensure that Chinook salmon PSC rates in October are not significantly higher than those achieved in the preceding months.

Under Section 8.4 of this Agreement, vessels unable to maintain an October Chinook bycatch rate that is not significantly higher than rates experienced in previous Septembers will be prohibited from fishing for pollock for the remainder of the B season.

3. Base Cap Credit Allocations. All Base Cap Credit Allocations shall be made by the Manager in accordance with this Section 3. All Vessel, Opt-In Vessel and CDQ Vessel Base Cap Credit Allocation amounts shall be calculated to the closest 10th of one percent, but all allocations shall be made in the

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closest round number. Base Cap Credits may only be used or transferred during the calendar year for which they are allocated. Unused Base Cap Credits expire at the end of each calendar year for which they are allocated.

3.1 Base Cap Credit Calculation. Each Vessel and Opt-In Vessel shall receive an initial annual Base Cap Credit Allocation (net of Insurance Pool funding per Sections 3.3 and 3.4, below) calculated by multiplying the Annual Threshold Amount, by that Vessel’s or Opt-In Vessel’s Annual Vessel Percentage.

3.2 Seasonal Apportionments. Each Vessel’s, Opt-In Vessel’s and CDQ Vessel’s initial Base Cap Credit Allocation shall be apportioned by season.

3.2.1 Inshore Cooperative Vessels. Each Inshore Sector Cooperative shall assign each Vessel in that Cooperative an “A” season Base Cap Credit Amount and a “B” season Base Cap Credit Amount, as determined by the Inshore Sector Cooperative, provided that: (i) the sum of a Vessel’s “A” season apportionment and its “B” season apportionment shall not exceed the Vessel’s Annual Base Cap Credit Allocation; (ii) the sum of an Inshore Sector Cooperative’s “A” season Base Cap Credit Allocation apportionments among its Vessels shall not exceed that Inshore Sector Cooperative’s “A” season Seasonal Hard Cap amount; and (iii) the sum of an Inshore Sector Cooperative’s “B” season Base Cap Credit Allocation apportionments among its Vessels shall not exceed the difference between the sum of the Base Cap Credit Allocations for that Inshore Sector Cooperative’s Vessels and the sum of that Inshore Sector Cooperative’s “A” season Base Cap Credit Allocation apportionments. Each Inshore Sector Cooperative shall complete the seasonal apportionment assignments for its Vessels and notify the Manager of those assignments in writing on or before January 10 of the year during which such seasonal apportionments are in effect.

3.2.2 Virtual Cooperative Vessels. The Manager shall calculate the annual seasonal apportionments of the Base Cap Credit Allocations of Vessels in the Virtual Cooperative by apportioning the “open access” pool “A” season Seasonal Hard Cap and “B” season Base Cap Credit amounts among such Vessels pro rata, on the basis of their Annual Vessel Percentage. Each Opt-In Vessel shall be subject to the annual seasonal apportionments imposed by the Chinook salmon PSC “entity” of which such Opt-In Vessel is a member. Each CDQ Vessel shall be subject to the annual seasonal apportionments imposed by the CDQ organization for which such vessel is harvesting Bering Sea pollock.

3.3 Insurance Pool Repayment and Usage Assessment Deductions. Each Inshore Sector Cooperative shall report the amount of Insurance Pool credits used by its Vessels in the prior “A” season by May 1 each year, and shall report the number of Insurance Pool credits used by its Vessels in the prior “B” season by December 1 each year. The Manager shall reduce the Base Cap Credit Allocation of each Vessel by the amount of Insurance Pool credits that the Vessel used in the prior season and did not repay in accordance with Section 7, below. The Manager shall next reduce the Base Cap Credit Allocation of each Vessel that used Insurance Pool credits in the prior season by that Vessel’s Insurance Pool usage assessment amount, as calculated in accordance with Section 7, below. If a Vessel does not have a sufficient Base Cap Credit Allocation to cover its Insurance Pool repayment and usage assessment obligations, the Manager shall reduce the Vessel’s Base Cap Credit Allocation for the next season to “0”, and the Vessel’s shortfall shall be carried over to the following season(s) until repaid in full. The
Manager shall credit all Insurance Pool repayment and usage assessments reducing the annual Base Cap Credit Allocations of Inshore Sector Cooperative Vessels to the next season’s Insurance Pool.

3.4 Insurance Pool “Top Off” Deductions. If the Insurance Pool repayment and usage assessment deductions made by the Manager result in an Insurance Pool credit balance which is equal to or greater than an amount equal to the product of multiplying 500 by the sum of all Inshore Sector Cooperative Vessels’ Annual Vessel Percentages (the “Insurance Pool Target Amount”), the Manager shall not make any further Base Cap Credit Allocation deductions to fund the Insurance Pool. However, if the Insurance Pool repayment and usage assessment deductions result in an Insurance Pool credit balance that is less than the Insurance Pool Target Amount, the Manager shall deduct from the Inshore Sector Cooperative Vessels’ Base Cap Credit Allocations the additional amount necessary to fund the Insurance Pool to the Insurance Pool Target Amount. Each Inshore Sector Vessel’s contribution to such additional deduction shall be calculated by multiplying the Vessel’s Annual Vessel Percentage by the difference between the Insurance Pool credit balance after making the prior season’s repayment and usage assessment deposits and the Insurance Pool Target Amount.

4. Salmon Savings Credit Allocations. A Vessel, Opt-In Vessel or CDQ Vessel that catches an amount of Chinook salmon PSC in the Bering Sea pollock fishery during a calendar year that is less than its Base Cap Credit Allocation for that year shall earn Salmon Savings Credits in accordance with the terms of this Section 4. In addition, a Vessel that has some or all of its Cooperative harvest share for the Bering Sea pollock fishery harvested by one or more other Vessels shall earn Salmon Savings Credits in accordance with the terms of this Section 4 if the harvesting Vessel(s) catch an amount of Chinook salmon that is less than the Base Cap Credit amount assigned to the harvesting Vessels by the non-harvesting Vessel, while harvesting the assigned harvest share.

4.1 Monitoring and Reporting Salmon Credit Usage. For purposes of this Section 4.1, Salmon Credit usage shall mean, for each delivery of pollock and associated Chinook salmon PSC, the allocation of the full amount of that Chinook salmon PSC to an identified vessel or vessels in accordance with this Agreement, such that their Available Cap Credits are reduced by that Chinook salmon PSC. Each Inshore Sector Cooperative shall monitor the Salmon Credit usage of its Vessels, and shall make such information available to the Manager and the Monitoring Agent on a trip-by-trip basis, within forty eight (48) hours of the date on which the related Alaska Department of Fish and Game (“ADF&G”) fish ticket is completed. The Manager or the Monitoring Agent shall make all such information available to the members of all Inshore Sector Cooperatives that are parties to this Agreement. Further, each Inshore Sector Cooperative shall have until May 1, for the prior “A” season, and until December 1, for the prior “B” season to report and resolve any in-season reporting discrepancies with the Manager. The Manager shall monitor the Salmon Credit usage of the Vessels, Opt-In Vessels, and CDQ Vessels in the Virtual Cooperative. Because transparency is necessary to assure uniform implementation of this Agreement by the Cooperatives and to monitor the relative performance of the Cooperatives in relation to the Annual Threshold amount, all information the Manager in his or her sole discretion deems necessary to verify the same shall be provided by the Cooperatives to the Manager and/or Monitoring Agent promptly upon the Manager’s request, and shall be available to all parties to this Agreement. Subject to the foregoing, all information reported to the Manager and/or the Monitoring Agent pursuant to this Section 4.1 shall be treated as confidential, and shall not be disclosed to individuals or entities other than the authorized representatives and members of the Inshore Sector Cooperatives, except as required by the regulations implementing Amendment 110 or as specifically authorized by the authorized representatives of the Inshore Sector Cooperatives.
4.2 **Salmon Savings Credit Calculation.** For every three (3) annual Base Cap Credits that a Vessel, Opt-In Vessel or CDQ Vessel does not use during the year they are allocated to it, such Vessel, Opt-In Vessel or CDQ Vessel shall receive one (1) Salmon Savings Credit. For purposes of calculating Salmon Savings Credits under this Section 4.2, Base Cap Credits a Vessel transfers to another Vessel shall generate Salmon Savings Credits for the transferor Vessel. The Manager shall maintain a Salmon Savings Credit account for each Vessel, Opt-In Vessel and CDQ Vessel, and shall calculate and assign Salmon Savings Credits to each Vessel’s, Opt-In Vessel’s and CDQ Vessel’s account at the end of each fishing year. If a Vessel’s, Opt-In Vessel’s or CDQ Vessel’s resulting account balance contains a fraction of a Salmon Savings Credit equal to or greater than one-half, the account balance shall be rounded up to the next whole number.

4.3 **Salmon Savings Credit Account Balances.** There is no limit on the amount of Salmon Savings Credits a Vessel, Opt-In Vessel or CDQ Vessel may have in its Salmon Savings Credit account.

4.4 **Salmon Savings Credit Duration.** Salmon Savings Credits shall last for three (3) calendar years.

5. **Restrictions on Salmon Credit Usage.** No Salmon Credit shall be used other than in strict compliance with the terms and conditions of this Section 5. All other attempted use of Salmon Credits shall be void and have no effect. Salmon Credit transfers are governed by the provisions of Section 6, below.

5.1 **Available Cap Credit Usage.** No Vessel, Opt-in Vessel or CDQ Vessel shall use an amount of Salmon Credits in excess of its Available Credit Limit. No Cooperative shall permit a Vessel, Opt-In Vessel or CDQ Vessel that is a member of such Cooperative to exceed its Available Credit Limit.

5.2 **Salmon Savings Credit Usage.** No Vessel, Opt-In Vessel or CDQ Vessel shall use Salmon Savings Credits other than in strict compliance with this Section 5.2.

5.2.1 Salmon Savings Credits shall only be used by a Vessel, Opt-In Vessel or CDQ Vessel after such vessel has used all of its Base Cap Credits.

5.2.2 No Vessel shall use Salmon Savings Credits during the “A” season.

5.2.3 If used, Salmon Savings Credits shall be deducted from a Vessel’s, Opt-In Vessel’s or CDQ Vessel’s account on a “first-in, first-out” basis.

6. **Salmon Credit Transfers.** No Salmon Credit shall be transferred from the Vessel, Opt-In Vessel or CDQ Vessel to which it is allocated or the Vessel, Opt-In Vessel or CDQ Vessel Salmon Savings Credit account to which it is assigned by the Manager other than in strict compliance with this Section 6. All other attempted transfers of Salmon Credits shall be void and have no effect. No Salmon Credit transfer shall be made in violation of the regulations implementing Amendment 110.

6.1 **Base Cap Credit Transfers.** Base Cap Credits may only be transferred between Vessels, Opt-In Vessels and CDQ Vessels that are participating in the Chinook salmon PSC savings IPA.
that is implemented under this Agreement, and only in strict compliance with the terms and conditions of this Agreement.

6.3 Base Cap Credit Transfers Without Accompanying Pollock Harvest Share Transfers. Base Cap Credits may be transferred from any Inshore Sector Cooperative Vessel to any other Inshore Sector Cooperative Vessel on terms as the owners of the transferor Vessel and the transferee Vessel agree, provided that no such Base Cap Credit transfer shall take effect unless and until the Manager has been informed of and approved the proposed transfer. Base Cap Credits may be transferred between Vessels in the Virtual Cooperative and between Opt-In Vessels from the same pollock fishery sector on such terms as the owners of the transferor Virtual Cooperative Vessel or Opt-In Vessel and the transferee Virtual Cooperative Vessel or Opt-In Vessel agree, provided that no such Base Cap Credit transfer shall take effect unless and until the Manager has been informed of and approved the proposed transfer. Base Cap Credits may be transferred between CDQ Vessels harvesting pollock for the same CDQ organization on such terms as the affected CDQ organization and owners of CDQ Vessels may agree, provided that no such Base Cap Credit transfer shall take effect unless and until the Manager has been informed of and approved the proposed transfer. If the transferee and transferor Vessels are each in an Inshore Sector Cooperative, the Manager shall not approve the transfer until the authorized representatives of the Inshore Cooperative(s) involved have been informed of and approved the transfer.

6.3.1 A Vessel may exchange its “A” season Base Cap Credits for an equal amount of another Vessel’s “B” season Base Cap credits and vice versa, on such terms as such Vessels may agree upon in their sole discretion.

6.3.2 An Inshore Sector Cooperative Vessel may obtain Salmon Credits to reduce or avoid Insurance Pool deductions and assessments.

6.4 Paired Transfers. Subject to the terms and conditions set forth in this Section 6.4: (i) a Vessel in an Inshore Sector Cooperative may make Paired Transfers to one or more other Vessels that are members of the same Inshore Sector Cooperative, or harvesting from the same Inshore Sector Cooperative’s annual allocation under an Amendment 69 contract; (ii) a Vessel in the Virtual Cooperative may make Paired Transfers to one or more other Vessels in the Virtual Cooperative, if pollock harvest shares have been allocated between or among Vessels in the Virtual Cooperative; (iii) an Opt-In Vessel may make Paired Transfers to one or more other Opt-In Vessels from the same pollock fishery sector; and (iv) a CDQ Vessel may make a Paired Transfer to another CDQ Vessel fishing for the same CDQ organization. All Chinook salmon PSC catch taken by a transferee vessel under a Paired Transfer shall be accounted for under the transferor vessel’s Annual Use Limit, and not under the transferee vessel’s Annual Use Limit.

6.4.1 Trip-Specific Paired Transfers. In connection with a Trip-Specific Paired Transfer, all related Salmon Credit usage, all Salmon Savings Credits earned (if any), and all Insurance Pool usage and all related deductions and assessments shall be attributed to the transferor’s account, provided that nothing in this Section 6.4.1 shall prevent the parties to a Trip-Specific Paired Transfer from allocating responsibility for such Salmon Credit Usage, Salmon Savings Credits earned and Insurance Pool usage and assessments among them otherwise by private agreement.
6.4.2 Hardship Transfers. Notwithstanding the provisions of this Section 6 to the contrary, a vessel making a Hardship Transfer may transfer all of its Available Cap Credits and all of its Cooperative pollack harvest share to one or more other vessels. However, the transferee vessel(s) shall not use any of the transferor vessel’s Salmon Savings Credits received in a Hardship Transfer in connection with harvests of any pollock other than the pollock harvested in connection with the Hardship Transfer.

6.4.3 Mop-Up Transfers. Notwithstanding the provisions of this Section 6 to the contrary, Vessels making a Mop-Up Transfer may transfer all of their Available Cap Credits and all of their remaining Inshore Sector Cooperative pollack harvest share for a season to the Vessel conducting the Inshore Sector Cooperative’s “mop-up” harvests. In connection with a Mop-Up Transfer, all related Salmon Credit usage, all Salmon Savings Credits earned (if any), and all Insurance Pool usage and all related deductions and assessments shall be attributed to the transferor Vessels’ accounts pro-rata, according to the Salmon Credits each of them transfers to the transferee Vessel, provided that nothing in this Section 6.4.3 shall prevent the parties to a Mop-Up Transfer from allocating responsibility for such Salmon Credit Usage, Salmon Savings Credits earned and Insurance Pool usage and assessments among them otherwise by private agreement.

6.5 Inter-Sector Transfers. The regulations implementing Amendment 110 permit transfers of Chinook salmon PSC bycatch units issued to “entities” between Bering Sea pollock fishery sectors. However, inter-sector transfers of salmon bycatch units do not change a sector’s Annual Threshold Amount. Therefore, salmon bycatch units transferred to an Inshore Sector Cooperative from another fishery sector, if used, could increase the risk of the inshore sector’s Chinook salmon PSC bycatch exceeding its Annual Threshold Amount. Therefore, no inter-sector transfers of Chinook salmon PSC bycatch units shall be made to a Cooperative other than in strict compliance with this Section 6.5. All other attempted transfers shall be void and have no effect.

6.5.1 An Inshore Sector Cooperative may receive a post-delivery inter-sector transfer of Chinook salmon PSC bycatch units to cover Chinook salmon PSC bycatch by a Vessel that causes a Cooperative to exceed the seasonal or annual bycatch limits imposed on the Cooperative under the regulations implementing Amendment 110, provided that the transfer is accomplished in compliance with the regulations governing such post-delivery transfers. A Cooperative that receives an inter-sector transfer of Chinook salmon PSC bycatch units to cover an “A” season overage shall reduce the amount of its Vessels’ “B” season Base Cap Credit Allocations by the amount of the inter-sector transfer. The Inshore Sector Cooperative receiving an inter-sector transfer of Chinook salmon PSC units shall notify the Manager of the identity of the Vessel(s) receiving the transferred units. An inter-sector transfer received under this provision shall increase the Annual Use Limit(s) of the Vessel(s) to which it is allocated.

6.5.2 If the inshore sector’s Chinook salmon PSC bycatch in the Bering Sea pollock fishery exceeds the Annual Threshold Amount during the course of a year, and if there has been no more than one (1) year during the prior six (6) years when the inshore sector has exceeded the Annual Threshold Amount, an Inshore Sector Cooperative may receive an inter-sector transfer of Chinook salmon PSC bycatch units, provided that the Vessel(s) using such transferred bycatch units must have an equal or greater amount of Salmon Savings Credits available, and all such transferred bycatch units used by such Vessel(s) shall be accounted for as Salmon Savings Credits used by such Vessel(s). The Inshore Sector Cooperative receiving an inter-sector transfer of Chinook salmon PSC units shall...
notify the Manager of the identity of the Vessel(s) receiving the transferred units. An inter-sector transfer received under this provision shall increase the Annual Use Limit(s) of the Vessel(s) to which it is allocated.

6.5.3 No Inshore Sector Cooperative shall transfer any inshore sector Chinook bycatch units to an “entity” in another sector unless and until all Inshore Sector Cooperatives have completed their directed pollock fishing for the year. Subject to the foregoing, an Inshore Sector Cooperative may transfer only Base Cap Credit Chinook salmon bycatch PSC units to entities in other sectors.

7. Insurance Pool Management. The Insurance Pool shall be funded annually in accordance with Section 3, above. Insurance Pool credits that are not used during the “A” season shall be carried over to fund the Insurance Pool for the “B” season. If the entire Insurance Pool is used during any single season, there shall be no Insurance Pool credits available for the balance of that season.

7.1 Insurance Pool Use. Subject to the terms and conditions of this Section 7, if a Vessel in an Inshore Sector Cooperative takes Chinook salmon PSC as bycatch in the Bering Sea pollock fishery in an amount that exceeds the Vessel’s Available Credit Limit, the excess bycatch shall be covered with credits from the Insurance Pool, if any are available. Any Vessel using Insurance Pool credits shall immediately notify the Manager in writing.

7.2 Insurance Pool Repayment and Usage Assessments. A Vessel that has Chinook salmon PSC bycatch covered by the Insurance Pool shall repay the amount of Insurance Pool credits it uses and any additional assessment levied in connection with their use in accordance with this Section 7.2.

7.2.1 A Vessel may repay the Insurance Pool by acquiring Base Cap Credits from another Vessel. Any Vessel repaying Insurance Pool using acquired credits shall immediately notify the Manager in writing. A Vessel that does not repay the Insurance Pool through a Base Cap Credit acquisition shall have the amount of credits the Vessel owes as repayment deducted from its Base Cap Credit Allocation at the beginning of the following season(s) until its repayment obligation is satisfied in full. All Insurance Pool repayments shall be accounted for as deposits into the Insurance Pool.

7.2.2 Vessels that are “Qualified” shall not be subject to an Insurance Pool usage assessment. For purposes of this Section 7.2.2, a Vessel shall be deemed to be “Qualified” if (i) as of the date on which the Vessel started its first tow of the fishing trip during which the Vessel’s Chinook salmon PSC bycatch exceeded its Available Credit Limit, the Vessel had an amount of Available Cap Credits sufficient to cover the Vessel’s actual pollock harvest from such fishing trip, if the Vessel’s Chinook bycatch rate during such fishing trip had been equal to or less than the then-current seven (7) day rolling average Chinook bycatch rate of all other Vessels as calculated and published by the Monitoring Agent; and (ii) the Vessel at no time during such fishing trip fished within a rolling hot spot Chinook Savings Area (as defined in Section 9, below), regardless of the Vessel’s eligibility to do so. The Manager shall have the authority to determine if a Vessel is Qualified, in the Manager’s sole discretion.

7.2.3 Non-Qualified Vessels that draw on the Insurance Pool shall not be liable for an additional usage assessment if they repay the Insurance Pool with acquired Base Cap Credits during the same fishing year. Non-Qualified Vessels that do not repay the Insurance Pool with
acquired credits during the same fishing year shall pay an additional assessment per Section 7.2.3.1 or 7.2.3.2, below.

7.2.3.1 Non-Qualified Vessels that started the relevant fishing trip with Available Cap Credits shall pay an Insurance Pool usage assessment equal to two hundred percent (200%) of the amount of credits from the Insurance Pool used to cover their Chinook salmon PSC bycatch.

7.2.3.2 Non-Qualified Vessels that start the relevant fishing trip without Available Cap Credits shall pay an Insurance Pool usage assessment equal to four hundred percent (400%) of the amount of credits from the Insurance Pool used to cover their Chinook salmon PSC bycatch.


8.1 No Fishing Without Available Cap Credits. No Vessel, Opt-In Vessel or CDQ Vessel shall commence a fishing trip without Available Cap Credits. If a Vessel, Opt-In Vessel or CDQ Vessel does so, the Cooperative of which such vessel is a member shall immediately issue a “stop fishing” order to such vessel, and shall promptly seek injunctive relief to cause such vessel to cease fishing if such vessel fails to immediately comply with such “stop fishing” order.

8.2 Vessel Stop Fishing Orders. If the Chinook salmon bycatch of a Vessel, Opt-In Vessel or CDQ Vessel exceeds its Available Credit Limit, the Cooperative of which such vessel is a member shall immediately issue a “stop fishing” order to such vessel, and the vessel receiving a “stop fishing” order shall immediately cease fishing in the Bering Sea pollack fishery and shall not resume fishing in that fishery until it has an available Salmon Credit balance and has been authorized to resume fishing by its Cooperative and the Manager.

8.3 Cooperative Stop Fishing Orders. If the aggregate Chinook salmon bycatch of the vessels in one or more Cooperatives exceeds their Cooperative’s aggregate Available Credit Limit, such that Manager in his sole discretion concludes that the inshore sector is at risk of exceeding its Annual Performance Standard for the third (3rd) time in a seven (7) year period, upon receiving notice to that effect from the Manager, all Cooperatives shall immediately take all steps necessary to prevent the inshore sector from exceeding the Annual Performance Standard, including but not limited to issuing “stop fishing” orders to all Vessels in the Cooperative, regardless of whether Vessels in the Cooperative still have Available Cap Credits. If the Manager is notified that the Chinook salmon bycatch of one or more Opt-In Vessels or CDQ Vessels could cause the catcher/processor sector, mothership sector or a CDQ organization to exceed its performance standard, the Manager shall immediately issue a “stop fishing” order to such vessel(s).

8.4 October Fishing Restrictions. Vessels, Opt-In Vessels and CDQ Vessels that do not maintain an October Chinook bycatch rate that is not significantly higher than rates experienced in previous Septembers shall be prohibited from fishing pollock for the remainder of the B season, in accordance with the terms of this Section 8.4.

8.4.1 All Vessels, Opt-In Vessels and CDQ Vessels must meet the “September Chinook Bycatch Standard” in order to continue to fish in the month of October. The “September
Chinook Bycatch Standard is calculated as two (2) standard deviations above the mean September ISSIP bycatch rate established during the years 2011 through 2016, i.e., 0.103 Chinook per metric ton of pollock.

8.4.2 The Manager will monitor the “October Chinook Bycatch Rate” of each Vessel, Opt-In Vessel and CDQ Vessel that is fishing in the month of October. A Vessel’s “October Chinook Bycatch Rate” is the cumulative Chinook bycatch rate calculated at the end of each trip by dividing the Vessel’s total October Chinook bycatch by its total October pollock catch. Each Vessel’s October Chinook Bycatch Rate is calculated using only trips fully fished in the month of October.

8.4.3 If at the completion of an October fishing trip, a Vessel’s October Chinook Bycatch Rate exceeds the September Chinook Bycatch Standard, the Vessel shall be allowed to make two (2) conditional fishing trips. If at the end of those two trips, the Vessel’s October Bycatch Rate is equal to or less than the September Chinook Bycatch Standard, the Vessel may continue fishing. If at the end of any two conditional fishing trips a Vessel’s October Bycatch Rate exceeds the September Bycatch Standard, the Vessel may no longer fish for pollock during the remainder of that B season.

8.5 Cooperative Vessel Injunctions. To give effect to the provisions of this Section 8, each Cooperative agrees to take all actions necessary to obtain injunctive relief against any vessel in such Cooperative that does not cease fishing when the Cooperative issues a “stop fishing” order, including but not limited to obtaining written consent in advance of such injunctive relief and a waiver of all rights to request an injunction-related bond from all Cooperative members.

8.6 Manager and Third Party Cooperative Authority. Each Cooperative agrees that if such Cooperative fails to issue a “stop fishing” order to one or more of its member vessels on a timely basis or fails to seek injunctive relief on a timely basis, both as determined by the Manager in his or her sole discretion, then one or more other Cooperatives and/or the Manager shall have the authority to issue the “stop fishing” order and seek injunctive relief against any of such Cooperative’s vessels that do not stop fishing when the “stop fishing” order is issued.

9. Rolling Hot Spot Program. All references to “Vessels” in this Section 9 shall be construed as referring collectively to the Vessels, Opt-In Vessels and CDQ Vessels. All Bering Sea pollock fishing by the Vessels shall be subject to area closures implemented under the “rolling hot spot” program set forth in this Section 9 (the “Rolling Hot Spot Program”). The Rolling Hot Spot program for Chinook salmon shall be in effect for both the Bering Sea pollock fishery “A” and “B” seasons each year. The Rolling Hot Spot program for chum salmon shall only be in effect for the Bering Sea pollock “B” season each year, and closures made under the chum Rolling Hot Spot program shall be suspended when the Chinook salmon priority rules set forth in Section 9.5 are in effect.

9.1 Monitoring and Management. The Monitoring Agent hereby agrees to provide the data gathering, analysis, fleet monitoring and reporting services necessary to implement the Rolling Hot Spot Program. The Manager hereby agrees to provide day-to-day management of the Rolling Hot Spot Program.

9.2 Savings Area Management. The Monitoring Agent shall use a bycatch rate (the “Base Rate”) as a trigger for identifying areas closed to pollock fishing by certain Vessels, and as a basis
for determining each Vessel’s “tier status”, which in turn shall govern whether, and if so, when, each Vessel may harvest pollock inside of a Chinook Savings Area or a Chum Savings Area, as defined below.

9.3 Chinook Salmon Rolling Hot Spot Program.

9.3.1 Base Rate Calculation and Announcement. The Monitoring Agent shall set the Base Rates for Chinook salmon on a weekly basis, in accordance with the provisions of this Section 9.3. The Monitoring Agent shall announce the Base Rate each Thursday by 6:00 pm Pacific time, and the Base Rate shall be in effect for seven (7) days, from the following day (Friday) at 10:00 pm Pacific time.

9.3.2 Chinook Salmon Base Rates. Other than as provided in Section 9.3.2.1, below, the Monitoring Agent shall calculate the average weekly rate of Chinook salmon taken as bycatch per metric ton of pollock by vessels harvesting pollock from the inshore sector allocation during the most recent three (3) weeks, as of each Thursday. The Chinook salmon Base Rate shall be the greater of (i) the average bycatch rate calculated by the Monitoring Agent, or (ii) the rate of 0.035 Chinook salmon PSC per metric ton of pollock.

9.3.2.1 The Monitoring Agent shall use “A” season bycatch data from the period January 20 through January 29 of each year to provide the Vessels with preliminary information regarding the location and concentration of Chinook salmon, and to determine the initial Base Rate, the initial Savings Area closures and the initial Vessel Tier assignments (as defined below). The Monitoring Agent shall implement Chinook Savings Area closures as appropriate commencing on January 30th of each year, and thereafter through the balance of each “A” and “B” season.

9.3.3 Chinook Tier Assignments. For purposes of tier assignments, Vessel Chinook salmon bycatch rates shall be the rate of Chinook salmon taken as bycatch per metric ton of pollock during the relevant time period (i.e., initially the January 20 through 29 time period and, thereafter, the prior two (2) weeks). For purposes of this Section 9.3.3, a Vessel’s Chinook salmon bycatch shall be determined with reference to observer data. Vessels with Chinook salmon bycatch rates equal to or less than the then-current Base Rate shall be assigned to “Tier 1” for purposes of this Section 9.3. Vessels with Chinook salmon bycatch rates greater than the then-current Base Rate shall be assigned to “Tier 2” for purposes of this Section 9.3.

9.3.4 Chinook Bycatch Hot Spot Identification. The Monitoring Agent shall calculate the Chinook salmon bycatch rates for each ADF&G statistical area for which the Monitoring Agent receives a Chinook salmon bycatch report, and when feasible, for each lateral half of each such statistical area. Each Thursday, the Monitoring Agent shall calculate the rate of Chinook salmon taken as bycatch per metric ton of pollock in each such area by vessels harvesting pollock from the inshore sector allocation during the prior seven (7) days, as the Monitoring Agent determines appropriate given the quality of data available for the area. The bycatch rates shall be calculated on the basis of NMFS observer data.

9.3.5 Chinook Salmon Savings Areas. On January 30 and on each Thursday thereafter, for the duration of the “A” season, and on June 20 and on each Thursday thereafter for the duration of the “B” season, the Monitoring Agent shall, subject to the criteria set forth below, provide notice to the Vessels identifying one or more areas designated as “Chinook Savings Areas”, within which pollock fishing shall be restricted on the basis of each Vessel’s Tier status.

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9.3.5.1 Savings Area Designation Criteria. To qualify as a Chinook Savings Area, (a) an amount of pollock that the Monitoring Agent in its sole discretion determines to be substantial must have been taken in the Chinook Savings Area during the period on which its designation as a Chinook Savings Area is based, or the area must have been designated a Chinook Savings Area for the prior notification period and there must be evidence satisfactory to the Monitoring Agent in its sole discretion that suggests that Chinook bycatch rates in the area are not likely to have changed, and (b) the Chinook salmon bycatch rate in the area for the period on which its definition as a Savings Area is based must exceed the Base Rate. For purposes of (a), above, the Monitoring Agent shall consider a pollock harvest of two percent (2%) of the total amount of pollock harvested by vessels harvesting from the inshore allocation during the period on which a Savings Area designation is based to be indicative of, but not dispositive of, whether a substantial amount of pollock has been harvested in an area. Notwithstanding the foregoing, the Monitoring Agent shall identify and close Chinook Savings Areas in accordance with the terms of that certain “Chinook Conservation Agreement” among the Inshore Sector Cooperatives, dated as of January 11, 2008, a copy of which is attached to this Agreement as Exhibit 3. For purposes of this Agreement, all Vessels shall be subject to the terms and conditions of the Chinook Conservation Agreement as though they were parties to that Agreement.

9.3.6 Chinook Savings Area Boundaries and Limitations. Subject to the limits set forth in this Section, Chinook Savings Areas shall be defined by a series of latitude/longitude coordinates as the Monitoring Agent determines appropriate to address Chinook salmon bycatch. Notwithstanding the foregoing, the following limits shall apply to designations of Chinook Savings Areas: (i) unless overriding evidence indicates that seasonal patterns of Chinook salmon bycatch have shifted spatially relative to those experienced during the years 2000-2009, Chinook Savings Area closures shall only be made within areas that the Monitoring Agent identifies as having high Chinook salmon bycatch potential based on the Chinook bycatch patterns and rolling hot spot closures during the years 2000 through 2009 as identified on the attached Exhibit 4; (ii) the total closed area encompassed by all Chinook Savings Areas in effect at any given time shall not exceed one thousand (1,000) square miles; (iii) subject to (ii), above, at the discretion of the Monitoring Agent and the Manager, up to three separate areas may be closed during any single one week closure period.

9.3.7 Chinook Savings Area Closure Announcements. Chinook Savings Area closures announced on Thursdays (the “Thursday Announcement” of the “Friday Closures”) shall be effective from 10:00 pm the following Friday through 10:00 pm the Friday thereafter. Upon a Chinook Savings Area closure taking effect, Bering Sea pollock fishing by Vessels shall be restricted pursuant to Section 9.7, below. Each Thursday Announcement shall include the following information: (i) identification of the Chinook Savings Areas by chart and by a listing of the corner coordinates of the Chinook Savings Area boundaries; (ii) a season update on pollock harvest and Chinook salmon bycatch by pollock fishery sector and in total; (iii) each Vessel’s Tier status and rolling three (3) week average bycatch rate; (iv) the current Base Rate; (v) the average bycatch rate for the inshore sector fleet during the previous week; (vi) the most recent Chinook salmon bycatch rates for each ADF&G statistical area in which there was directed pollock fishing during the previous week; (vii) a summary of seasonal and annual pollock harvests and seasonal and annual Chinook salmon bycatch in the pollock fishery; (viii) a summary of Chinook salmon bycatch amounts and trends relative to the Annual Threshold Amount; and (ix) general commentary on Chinook salmon bycatch patterns and trends.

9.3.8 Chinook Savings Area Implementation. Tier 2 Vessels shall not fish in Chinook Savings Areas announced on a Thursday for a one (1) week period, commencing on the

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immediately following Friday at 6:00 pm Pacific time. Tier 1 Vessels may fish in Chinook Savings Areas. For purposes of this Agreement, "fishing" shall mean all activity of a Vessel between the time of initial "gear deployment" and final "gear retrieval". "Gear deployment" and "gear retrieval" shall have the meanings given them in 50 C.F.R. 679.2 or its successor, as the same may be amended from time to time. Initial gear deployment shall mean setting trawl gear with an empty codend, and final gear retrieval shall mean retrieving trawl gear to either pull a codend aboard the Vessel or to deliver the codend to another vessel.

9.4 Chum Salmon Rolling Hot Spot Program.

9.4.1 Base Rate Calculation and Announcement. The Monitoring Agent shall set the Base Rates for chum salmon on a weekly basis, in accordance with the provisions of this Section 9.4. The Monitoring Agent shall announce the Base Rate each Thursday by 6:00 pm Pacific time, and the Base Rate shall be in effect for seven (7) days from the following day (Friday) at 10:00 pm Pacific time.

9.4.2 Chum Salmon Base Rates. Other than as provided in Section 9.4.2.1, below, the Monitoring Agent shall calculate the average weekly rate of chum salmon taken as bycatch per metric ton of pollock by vessels harvesting pollock from the inshore sector allocation during the most recent three (3) weeks, as of each Thursday. The chum salmon Base Rate shall be the average bycatch rate calculated by the Monitoring Agent, provided that the Base Rate shall not be increased by more than twenty percent (20%) per week during the months of June and July. If during the months of June and July the calculated Base Rate falls below 0.19 the Base Rate shall be 0.19. If during the month of August the calculated Base Rate falls below 0.50 the Base Rate shall be 0.50. If during the months of September and October the calculated Base Rate falls below 1.00, the Base Rate shall be 1.00.

9.4.2.1 The Monitoring Agent shall use "B" season bycatch data from the period June 10 through June 29 of each year to provide the Vessels with preliminary information regarding the location and concentration of chum salmon. Until the Monitoring Agent has three weeks of catch data, the initial chum salmon Base Rate shall be 0.19 chum salmon per metric ton of pollock.

9.4.3 Chum Tier Assignments. For purposes of tier assignments, Vessel chum salmon bycatch rates shall be the rate of chum salmon taken as bycatch per metric ton of pollock during the relevant time period (i.e., initially the June 10 through June 29 time period, and thereafter through the rest of the B season, the immediately prior two (2) weeks). For purposes of this Section 9.4.3, a Vessel's chum salmon bycatch shall be determined with reference to observer data.

9.4.4 Chum Bycatch Hot Spot Identification. The Monitoring Agent shall calculate the chum salmon bycatch rates for each ADF&G statistical area for which the Monitoring Agent receives a chum salmon bycatch report, and when feasible, for each lateral half of each such statistical area. Each Thursday, the Monitoring Agent shall calculate the rate of chum salmon taken as bycatch per metric ton of pollock in each such area by vessels harvesting pollock from the inshore sector allocation during the prior seven (7) days, as the Monitoring Agent determines appropriate given the quality of data available for the area. The bycatch rates shall be calculated on the basis of NMFS observer data.

9.4.5 Chum Salmon Savings Areas. Subject to the Chinook priority provisions of Section 9.5, below, on June 30 and on each Thursday thereafter for the duration of the "B" season, the Monitoring Agent shall, subject to the criteria set forth in Section 9.4.5.1, below, provide notice to the

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Vessels identifying one or more areas designated as "Chum Savings Areas", within which pollack fishing shall be restricted on the basis of each Vessel’s Tier status.

9.4.5.1 Savings Area Designation Criteria. To qualify as a Chum Savings Area, (a) an amount of pollack that the Monitoring Agent in its sole discretion determines to be substantial must have been taken in the Chum Savings Area during the period on which its designation as a Chum Savings Area is based, or the area must have been designated a Chum Savings Area for the prior notification period and there must be evidence satisfactory to the Monitoring Agent in its sole discretion that suggests that chum bycatch rates in the area are not likely to have changed, and (b) the chum salmon bycatch rate in the area for the period on which its definition as a Savings Area is based must exceed the Base Rate. For purposes of (a), above, the Monitoring Agent shall consider a pollack harvest of two percent (2%) of the total amount of pollack harvested by vessels harvesting from the inshore allocation during the period on which a Savings Area designation is based to be indicative of, but not dispositive of, whether a substantial amount of pollack has been harvested in an area. In addition to meeting the criteria set forth above, to be closed as a Chum Savings Area during the months of June and July, the area must have a chum salmon bycatch rate equal to or greater than 0.10 chum salmon per metric ton of pollock; to be closed as a Chum Savings Area during the month of August, the area must have a chum salmon bycatch rate equal to or greater than 0.50 chum per metric ton of pollock, and to be closed as a Chum Savings Area on or after September 1, the area must have a chum bycatch rate equal to or greater than 1.0 chum salmon per metric ton of pollock.

9.4.6 Chum Savings Area Boundaries and Limitations. Subject to the limits set forth in this Section, Chum Savings Areas shall be defined by a series of latitude/longitude coordinates as the Monitoring Agent determines appropriate to address chum salmon bycatch. Notwithstanding the foregoing, the following limits shall apply to designations of Chum Savings Areas: (i) the total closed area encompassed by all Chum Savings Areas in effect during the months of June and July shall not exceed three thousand (3,000) square miles; (ii) the total closed area encompassed by all Chum Savings Areas in effect during the month of August and thereafter through the end of the annual pollock fishery “B” season shall not exceed one thousand five hundred (1,500) square miles; and, subject to (i) and (ii), above, at the discretion of the Monitoring Agent and the Manager, no more than three separate areas may be closed during any single one week closure period.

9.4.6.1 As further information concerning the stocks of origin of Bering Sea chum salmon bycatch becomes available, the Monitoring Agent shall structure Chum Savings Areas to give protection of western Alaska chum stocks priority over the protection of other chum salmon stocks.

9.4.7 Chum Savings Area Closure Announcements. Chum Savings Area closures announced on Thursdays (the “Thursday Announcement” of the “Friday Closures”) shall be effective from 10:00 pm the following Friday through 10:00 pm the Friday thereafter. Upon a Chum Savings Area closure taking effect, pollock fishing by Vessels shall be restricted pursuant to Section 9.4.8, below. Each Thursday Announcement shall include the following information: (i) identification of the Chum Savings Areas by chart and by a listing of the corner coordinates of the chum Savings Area boundaries; (ii) a season update on pollock harvest and chum salmon bycatch by pollock fishery sector and in total; (iii) each Vessel’s chum Tier status and rolling three (3) week average chum bycatch rate; (iv) the current chum Base Rate; (v) the average bycatch rate for the inshore sector fleet during the previous week; (vi) the most recent chum salmon bycatch rates for each ADF&G statistical area in which there was directed

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pollock fishing during the previous week; (vii) a summary of seasonal and annual pollock harvests and seasonal and annual chum salmon bycatch in the pollock fishery; and (viii) general commentary on chum salmon bycatch patterns and trends.

9.4.8 Chum Savings Area Implementation. Tier 2 Vessels shall not fish in Chum Savings Areas announced on a Thursday for a one (1) week period, commencing on the immediately following Friday at 10:00 pm Pacific time. Tier 1 Vessels may fish in Chum Savings Areas. For purposes of this Agreement, “fishing” shall mean all activity of a Vessel between the time of initial “gear deployment” and final “gear retrieval”. “Gear deployment” and “gear retrieval” shall have the meanings given them in 50 C.F.R. 679.2 or its successor, as the same may be amended from time to time. Initial gear deployment shall mean setting trawl gear with an empty codend, and final gear retrieval shall mean retrieving trawl gear to either pull a codend aboard the Vessel or to deliver the codend to another vessel.

9.5 Chinook Rolling Hot Spot Program Priority. In the event that the Chinook Base Rate is 0.035 Chinook per metric ton of pollock or higher during the B season, the Chinook Rolling Hot Spot program shall take priority over the Chum Salmon Rolling Hot Spot program. Chinook Savings Area closures shall remain in effect for a minimum of two weeks, and in any case until the Chinook Base Rate is less than 0.035 Chinook per metric ton of pollock. Chum Savings Area closures shall be suspended as long as Chinook Savings Area closures are in effect, but the Monitoring Agent will continue to provide chum bycatch information by area.

9.6 Data Gathering, Usage and Reporting. Vessels shall take all actions necessary to release their vessel monitoring system (“VMS”) tracking data, State and Federal landing reports and observer data to the Monitoring Agent as soon as commercially practicable after such documents are completed. The Monitoring Agent may use all Vessel VMS tracking data, landing reports and observer data it receives under this Agreement to implement the provisions of this Agreement and every other Bering Sea pollack fishery IPA, but shall not release such data, or calculations made from such data, except as provided in Sections 9.6.1 through 9.6.3, below. The parties to this Agreement hereby name the Bering Sea Fishermen’s Association, an Alaska nonprofit corporation (“BSFA”) as the “third party group” who receives information regarding Savings Area closure notices issued pursuant to this Section 9.

9.6.1 The Monitoring Agent may release summaries of pollock catch, Chinook and chum bycatch and Chinook and chum bycatch rates to IPA participants to assist them in avoiding Chinook and chum salmon bycatch.

9.6.2 The Monitoring Agent may release VMS tracking data from relatively high-bycatch hauls, defined as the top twenty-five percent (25%) of hauls or trips exceeding a specific base rate in a given week, by distributing them directly to IPA participants, and/or making them available on a password-protected web site with access limited to IPA participants.

9.6.3 The Monitoring Agent may release weekly Chinook and chum salmon bycatch avoidance area maps, by distributing them to all IPA participants, and/or by making them available on a password-protected web site with access limited to IPA participants.
9.6.4 The Monitoring Agent shall provide notice of all Chinook Savings Area and Chum Savings Area closures to BSFA at the same time the Monitoring Agent provides them to the Vessels.

9.7 Savings Area Closure Enforcement. The Monitoring Agent shall monitor the fishing activities of all Vessels and shall promptly report all apparent Savings Area violations by a Vessel to the Board of Directors of the Cooperative to which the Vessel belongs. If the Vessel is a member of the Virtual Cooperative, the Monitoring Agent shall report apparent violations to the Manager. Upon receiving notice of an apparent violation from the Monitoring Agent, the Board of Directors or the Manager of the Cooperative to which the Vessel belongs shall have one hundred and eighty (180) days to take action in connection with the apparent violation, and to provide a report of the action taken and a copy of the record supporting that action to all other Cooperatives.

9.8 Savings Area Violations. If a Cooperative Board of Directors (or, in the case of the Virtual Cooperative, the Manager) determines that a Vessel that is a member of the Cooperative fished in a Savings Area in violation of this Agreement, the master of the Vessel determined to be in violation shall be required to pay an assessment. The assessment for a Vessel master’s first (1st) annual violation of a Savings Area closure shall be one thousand dollars ($1,000.00); the assessment for a Vessel master’s second (2nd) annual violation of a Savings Area closure shall be five thousand dollars ($5,000.00); and the assessment for a Vessel master’s third (3rd) and subsequent annual violations of a Savings Area closure shall be ten thousand dollars ($10,000.00). Because the damages resulting from violating a Savings Area closure are difficult to estimate, the foregoing assessment amounts are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a Vessel’s and a Vessel master’s obligations related to a Savings Area closure violation. The Inshore Sector Cooperatives shall take all actions necessary to give effect to this Section 9.8.

9.8.1 Funds collected in connection with a Savings Area violation, in excess of those necessary to reimburse the prevailing party for its costs and attorneys’ fees, shall be paid to the Manager, and shall be expended as decided by majority vote of authorized representatives of the Inshore Sector Cooperatives to support research concerning salmon bycatch issues.

9.8.2 For purposes of this Section 9, state and federal landing reports, observer data, VMS tracking data, vessel log books and plotter data and Cooperative catch data produced by the Monitoring Agent in conformance with NMFS catch accounting procedures shall be presumed accurate and sufficient for determining whether a Vessel violated a Savings Area closure, absent a clear and compelling demonstration of manifest error. The Cooperatives agree to take all actions and execute all documents necessary to give effect to this provision.

9.8.3 Savings Area violations will be reported to the Bering Sea Fisherman’s Association.

9.9 Vessel Monitoring System. The Vessels shall each obtain and maintain an operational VMS unit approved by the Monitoring Agent, provided that such units are available on a commercially reasonable basis. Because the damages resulting from a Vessel operating in non-compliance with this subsection are difficult to estimate, each Vessels shall pay an assessment of One Thousand Dollars ($1,000.00) per day for each consecutive day over thirty (30) consecutive days that it is
employed in the Bering Sea pollock fishery without an operational VMS unit approved by Monitoring Agent, provided such unit is available on a commercially reasonable basis.

10. Required Use of Salmon Excluders. All references to “Vessels” in this Section 10 shall be construed as referring collectively to “Vessels”, “Opt-In Vessels” and “CDQ Vessels”. Beginning with the 2016 “A” season, all Vessels must use Salmon Excluders on all pollock tows during each year’s “A” season and on all pollock tows made after August 31 of each year’s “B” season, subject to limited relief from the requirement of using Salmon Excluders described in Section 10.1, below.

10.1 Limited Relief. Relief from the requirement of using Salmon Excluders is available under only the following two circumstances.

First, Vessels with fishing methodologies that conflict with the practical use of Salmon Excluders may annually apply for relief from the requirement. Application should be made to the Manager before January 20 of the year for which relief is sought. The Manager may grant or deny an application in his or her sole discretion.

Second, Vessels may temporarily discontinue using Salmon Excluders following gear damage or loss that renders use of a Salmon Excluder impractical or the failure of a newly-designed Salmon Excluder. Under this second circumstance, an affected Vessel may discontinue using a Salmon Excluder and resume fishing immediately without prior notice to or prior approval of any party. The Vessel may fish without a Salmon Excluder until the end of the season during which the gear damage or loss or Salmon Excluder failure occurred, and is thereafter required to use a Salmon Excluder in accordance with Section 10, above. In addition, the master of the Vessel must report the Vessel’s discontinued use of a Salmon Excluder to the Manager by the beginning of the next season. The report must briefly describe the events leading to the Vessel’s discontinued use of a Salmon Excluder and state the number of tows made without a Salmon Excluder.

11. Virtual Cooperative Vessels, Opt-In Vessels and CDQ Vessels. The Vessels, Opt-In Vessels and CDQ Vessels in the Virtual Cooperative shall be subject to all obligations that are assumed in common by the Vessels in the Inshore Sector Cooperatives in connection with the Inshore Sector Cooperatives’ participation in the Chinook salmon savings incentive plan implemented by this Agreement. Such obligations include the obligation to manage the Chinook salmon PSC allocations of the Vessels, Opt-In Vessels and CDQ Vessels such that the aggregate annual and seasonal allocations of such Vessels, Opt-In Vessels and CDQ Vessels are not exceeded.

11.1 The Manager shall have absolute authority, in the Manager’s sole discretion, to establish annual and seasonal allocations of Chinook salmon PSC among the members of the Virtual Cooperative on a pro rata basis, according to the amounts of Chinook salmon PSC assigned to open access fishery in connection with each Vessel’s participation in that fishery, and the amount of Chinook salmon PSC available for each Opt-In Vessel’s and CDQ Vessel’s use in connection with their Chinook salmon bycatch entity membership.

11.2 Because allocations to some or all of the Virtual Cooperative’s members may not be transferable, Vessels, Opt-In Vessels and CDQ Vessels in the Virtual Cooperative shall not participate in the Insurance Pool.
12. General Vessel and Cooperative Rights and Obligations. To give effect to this Agreement, all Vessels, Opt-In Vessels, CDQ Vessels and Cooperatives shall have the following general rights and shall be subject to the following general obligations.

12.1 Compliance Agreement. The parties to this Agreement hereby agree to comply with all provisions of this Agreement. Each person who signs this Agreement as an authorized representative of an Inshore Sector Cooperative and Virtual Cooperative acknowledges that the Cooperative he or she represents is executing this Agreement on behalf of the individuals, entities and vessels that are members of such Cooperative and that have agreed to participate in the IPA implemented under this Agreement, as listed on Exhibit 1.

12.2 Further Actions. The Cooperatives shall cause their members to take all actions and execute all documents necessary to give effect to this Agreement.

12.3 Vessel Owner Assumption of Vessel Obligations. Vessels, Opt-In Vessels and CDQ Vessels are granted rights and assume obligations under this Agreement, because this Agreement will not achieve its full intended effect unless those rights are granted and obligations are imposed on individual Vessels, Opt-In Vessels and CDQ Vessels, rather than on an individual or entity that may own more than one Vessel, Opt-In Vessel or CDQ Vessel. However, notwithstanding any provisions of this Agreement to the contrary, the obligations of each Vessel, Opt-In Vessel and CDQ Vessel under this Agreement are and shall be deemed obligations of the individual(s) or entity or entities that own such Vessel, Opt-In Vessel or CDQ Vessel, other than those which are specifically imposed on the Vessel’s master under Section 9, above. The Inshore Sector Cooperatives shall cause their Vessel owner members to each assume the obligations of their Vessels under this Agreement. The owners of each of the Vessels, Opt-In Vessels and CDQ Vessels in the Virtual Cooperative shall be deemed to have assumed all obligations imposed on their respective Vessels, Opt-In Vessels and CDQ Vessels by their election to participate in the Chinook salmon PSC bycatch avoidance incentive plan implemented under this Agreement.

12.4 Available Cap Credit Accounting and Management. Each Vessel, Opt-In Vessel and CDQ Vessel shall be responsible for accurately calculating the amount of Available Cap Credits it has available during the course of its fishing activity, and for conducting its fishing activity in compliance with its Available Credit Limit.

13. Remedies for Breach: Waiver of All Monetary Damages, Limitation of Remedies and Authorization of Injunctive Relief. The Cooperatives acknowledge that the consequences associated with a breach of this Agreement by one or more Cooperatives or their members could include extremely large financial losses associated with forgone pollock fishing opportunities, and if the breach results in the inshore sector exceeding its performance standard under Amendment 110, a breach of this Agreement could result in permanent revision of the annual Bering Sea Chinook salmon PSC limit for the inshore sector, which could result in extremely large financial losses associated with forgone pollock fishing opportunities over a period of many years. The damages associated with these consequences are very difficult to quantify and could be so large that the Cooperative(s) or the Cooperative member(s) whose breach of this Agreement caused the damages to be suffered by others would not be capable of paying them within any reasonable period of time. Under these circumstances, the parties to this Agreement have concluded that, other than as specifically and explicitly provided in this Agreement, damages are not an effective remedy for breach of this Agreement. The parties to this Agreement have

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therefore elected instead to waive any rights to monetary damages, other than the damages specifically and explicitly authorized under this Agreement, and instead to adopt specific performance as the sole remedy for all other breaches of this Agreement by a Cooperative or its members, as set forth in this Section 13.

13.1 Waiver and Release of All Monetary Damages. The Cooperatives, acting on behalf of themselves and their members, hereby waive and release any and all claims that they may have against another Cooperative or its members for monetary damages for a breach of this Agreement, other than those specifically and explicitly authorized under this Agreement. This waiver extends to and includes all claims to direct, indirect, consequential, punitive, special or exemplary damages, regardless whether such damages are based on breach of contract, tort, or some other cause of action. This waiver and release applies to every type of breach of this Agreement, including but not limited to willful, knowing, grossly negligent, negligent and non-negligent breaches of this Agreement of any nature whatsoever.

13.2 Limitation of Remedies. As a substitute for the monetary damages waived and released under this Agreement, the Cooperatives, acting on behalf of themselves and their members, hereby limit their remedies for breach to the following:

13.2.1 Specific Performance. The Cooperatives, their members, the Manager and the Monitoring Agent shall individually and collectively have the right to demand and receive immediate specific performance of each and every obligation that each Cooperative and its members have under this Agreement.

13.2.2 Injunctive Relief. If a Cooperative or any of its members are in breach of any obligation whatsoever they may have under this Agreement, and if the Cooperative or Cooperative member in breach fails to immediately comply with each and every obligation it has under this Agreement upon receiving a written demand to that effect from the Manager, the Monitoring Agent, another Cooperative or one or more Cooperative members, the Manager, the Monitoring Agent, each Cooperative and each Cooperative member shall individually and collectively have the right to seek and obtain injunctive relief requiring the Cooperative or Cooperative member in breach to immediately and fully comply with each and every obligation it has under this Agreement.

13.2.3 Reimbursement of All Costs and Fees. Notwithstanding any provision of this Agreement to the contrary, each Cooperative and each Cooperative’s members, the Manager and the Monitoring Agent shall be entitled to reimbursement of all costs and fees they incur in connection with any legal action they may individually or collectively take to enforce the terms and conditions of this Agreement, including but not limited to all attorneys’ fees, arbitration costs, court costs, costs of bonds or other financial security posted or pledged in connection with such action, expert witness costs, costs of receivers or special masters, and each and every other cost or fee of any nature or amount whatsoever incurred in connection with such action, regardless of whether such cost is deemed reasonable in nature or amount.

13.3 Indemnification Against All Governmental Fines, Penalties and Forfeitures. Notwithstanding any provision of this Agreement to the contrary, each Cooperative that breaches this Agreement or whose member or members breach this Agreement shall indemnify, defend and hold the Manager, the Monitoring Agent and each Cooperative and each Cooperative’s members harmless from any and all governmental fines, penalties and forfeitures.

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and against all claims, liabilities, fines, penalties, forfeitures and fees of any nature and amount whatsoever asserted or obtained by NMFS, the U.S. Department of Justice or any other U.S. governmental agency with jurisdiction over the Bering Sea pollock fishery in connection with a Cooperative or a Cooperative’s member or members’ breach of this Agreement. This indemnification, defense and hold harmless shall extend to all attorneys’ fees and all other costs and fees of any nature or amount whatsoever incurred in relation to such action, regardless of whether such cost is deemed reasonable in nature or amount.

14. Agreement Duration and Termination. This Agreement shall take effect upon execution by all parties and approval by NMFS. This Agreement shall remain in effect unless and until it no longer satisfies the IPA requirements of the regulations implementing Amendment 110.

15. Withdrawal and Continuing Obligations. No Vessel, Opt-In Vessel or CDQ Vessel shall withdraw from participation in the IPA implemented under this Agreement other than in strict compliance with this Section 15. All other attempts to withdraw shall be void and shall have no effect.

15.1 No Vessel, Opt-In Vessel, CDQ Vessel or Inshore Sector Cooperative shall withdraw from the IPA during a Bering Sea pollock fishing year.

15.2 No Vessel, Opt-In Vessel, CDQ Vessel or Inshore Sector Cooperative shall withdraw from this Agreement unless and until all of its outstanding obligations (and, in the case of a Cooperative, its members’ obligations) under this Agreement are fully satisfied. For purposes of illustration, and without limitation, no Vessel shall withdraw unless and until it has satisfied all of such Vessel’s Insurance Pool repayment and usage assessment obligations.

15.3 A Vessel, Opt-In Vessel, CDQ Vessel or Inshore Sector Cooperative that wishes to withdraw from this Agreement must notify the Board of Directors of the Cooperative to which it belongs and the Manager in writing on or before October 1 of the year prior to the year in which such withdrawal will be effective. If delivered by that date, the Vessel’s withdrawal shall be effective as of December 31 of the year during which such notice was delivered.

16. Manager. The Inshore Sector Cooperatives shall retain a person to fulfill the obligations of the “Manager” under this Agreement. The Manager shall be the “IPA Representative” as defined in the regulations implementing Amendment 110. The Inshore Sector Cooperatives and United Catcher Boats (UCB) shall enter into an arrangement under which Mr. John Gruver, an employee of UCB, shall assume the obligations of “Manager” under this Agreement, until such time as the Inshore Cooperatives appoint a substitute Manager.

17. Monitoring Agent. The Inshore Sector Cooperatives shall retain Sea State as the “Monitoring Agent” under this Agreement, until such time as the inshore Sector Cooperatives appoint a substitute Monitoring Agent.

18. Release and Waiver of All Claims Against Manager, UCB and Monitoring Agent; Indemnification and Hold Harmless. The parties acknowledge that the effectiveness of this Agreement depends to a significant extent on the Manager and Monitoring Agent exercising their independent responsibility and judgment in fulfilling its terms. The parties further acknowledge that if the Manager or the Monitoring Agent were potentially liable for simple negligence in connection with such actions,
the Manager and/or the Monitoring Agent would not accept the responsibilities they assume under this Agreement. It is therefore in the parties' interest to reduce the Manager's and the Monitoring Agent's potential liability under this Agreement. Therefore, the Inshore Sector Cooperatives hereby waive and release any and all claims against John Gruver, UCB and Sea State arising out of or relating to John Gruver's, UCB's or Sea State's services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by John Gruver, UCB and Sea State. Further, the Inshore Sector Cooperatives jointly and severally agree to indemnify, defend and hold John Gruver, UCB and Sea State harmless against any third party claims asserted against John Gruver, Sea State or UCB arising out of or relating to John Gruver's, Sea State's or UCB's services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by John Gruver, Sea State or UCB.

19. Amendments. No amendment to this Agreement shall be effective unless and until it is executed in writing by all parties to this Agreement, and approved by NMFS in accordance with the regulations implementing Amendment 110.

20. Miscellaneous.

20.1 This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Washington.

20.2 This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Agreement by telefacsimile or email shall have the same effect as delivering a signed original.

20.3 The parties agree to execute any documents necessary or convenient to give effect to the intents and purposes of this Agreement.

20.4 All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed telefacsimile or email transmission to the recipient. Each party to this Agreement agrees to provide the name, postal address, telefacsimile number and email address of its duly authorized representative(s) for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.

20.5 In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

20.6 Each party to this Agreement agrees to use its best efforts to resolve any disputes arising under this Agreement through direct negotiations. Breaches of this Agreement for which a party seeks a remedy other than injunctive relief that are not resolved through direct negotiation shall be submitted to binding arbitration in Seattle, Washington upon the request of any party to this Agreement. The party's written request will include the name of the arbitrator selected by the party requesting arbitration. The other party will have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3)
arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. No arbitrator, however chosen, shall have any material ties to any party to this Agreement or any Inshore Cooperative member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final and binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in his or her or their sole discretion. The arbitrator(s) will also determine the "prevailing party" and that party will be entitled to its reasonable costs, fees and expenses, including attorneys' and arbitrator fees, incurred in the action by said party. 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 the applicable statute of limitations.

Entered into as of the date first set forth above.

[Signature page follows.]
AKUTAN CATCHER VESSEL ASSOCIATION
By __________________________
Its __________________________

PETER PAN FLEET COOPERATIVE
By __________________________
Its __________________________

UNISEA FLEET COOPERATIVE
By __________________________
Its __________________________

UNALASKA FLEET COOPERATIVE
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WESTWARD FLEET COOPERATIVE
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UNITED CATCHER BOATS
By __________________________
Its __________________________

SEA STATE, INC.
By __________________________
Its __________________________

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Its ___________________________

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By ___________________________
Its ___________________________

UNISEA FLEET COOPERATIVE
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Its ___________________________

UNITED CATCHER BOATS
By ___________________________
Its ___________________________

NORTHERN VICTOR FLEET COOPERATIVE
By ___________________________
Its President

UNALASKA FLEET COOPERATIVE
By ___________________________
Its ___________________________

WESTWARD FLEET COOPERATIVE
By ___________________________
Its ___________________________

SEA STATE, INC.
By ___________________________
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AKUTAN CATCHER VESSEL ASSOCIATION

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PETER PAN FLEET COOPERATIVE

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UNITED CATCHER BOATS

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NORTHERN VICTOR FLEET COOPERATIVE

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SEA STATE, INC.

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By ______________________
Its ______________________

UNALASKA FLEET COOPERATIVE
By ______________________
Its ______________________

WESTWARD FLEET COOPERATIVE
By ______________________
Its ______________________

SEA STATE, INC.
By ______________________
Its ______________________

Fourth Amended Inshore Chinook SSIP Agreement

March 6, 2019
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CHINOOK DATA SHARING AGREEMENT

This agreement is entered into in consideration of the following facts:

RECITALS

Western Alaskans have expressed conservation and allocation concerns regarding the incidental catch of Chinook salmon in the Bering Sea pollock fishery;

The North Pacific Fishery Management Council and the National Marine Fisheries Service have approved and implemented a new Chinook salmon bycatch management program for the Bering Sea pollock fishery that includes annual bycatch limits and incentive program agreements (IPA) designed to minimize Chinook salmon bycatch at all levels of salmon and pollock abundance;

The three sectors of the Bering Sea pollock fishery have adopted Chinook salmon incentive program agreements (IPA) with different components that reflect the different fishing areas and methods employed by the sectors, although each IPA includes some form of incentive based on the identification of bycatch avoidance areas;

The American Fisheries Act (AFA) pollock cooperatives and the western Alaska Community Development Quota groups acknowledge that the effectiveness of IPAs that rely on bycatch avoidance areas is improved by rapidly gathering, analyzing and disseminating accurate data concerning the locations of Chinook salmon bycatch in the pollock fishery;

Each cooperative, through its IPA agreement, requires its members to take all actions necessary to make NMFS observer reports, official landing records, and vessel monitoring system (VMS) tracking data from the pollock fishery available to SeaState as soon as practicable after such information becomes available;

Based on experience gained over the past decade, the pollock cooperatives have learned that the sharing of fishery-wide pollock catch and Chinook salmon bycatch information can prevent instances where vessels from one sector move from an area of relatively high bycatch, only to discover that Chinook abundance in the new area is higher than it was prior to the vessel moving;

The pollock cooperatives believe that the development of new ways to share Chinook salmon bycatch information could improve the usefulness of bycatch-avoidance-area-based incentive programs.

Now, therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the AFA pollock cooperatives and the western Alaska Community Development Quota groups agree as follows:

Chinook Data Sharing Agreement
February 11, 2011
AGREEMENT

1. SeaState may use observer data, landing records and VMS tracking data from all AFA pollock cooperatives to implement the provisions of any NMFS-authorized Chinook salmon IPA regardless of sector, but shall not release such data, or calculations made from such data, except as described in two, three and four below;

2. Summaries of pollock catch and Chinook catch by sector and Chinook base rate and area bycatch rate calculations may only be distributed to IPA participants for the purpose of avoiding Chinook salmon bycatch;

3. VMS tracking data from only relatively high-bycatch hauls, defined as the top twenty-five percent (25%) of hauls or trips exceeding a base rate in a given week, may be distributed to IPA participants, or made available on a password-protected web site available to all IPA participants;

4. Weekly bycatch avoidance areas maps from all NMFS-authorized Chinook salmon IPAs may be distributed to all IPA participants, and will also be made available on a password-protected web site;

5. Any and all claims against Sea State arising out of, or relating to, services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct, are hereby waived and released. Further, the Coops jointly and severally agree to indemnify, defend and hold Sea State harmless against any third party claims asserted against Sea State arising out of or relating to services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by Sea State;

6. This agreement shall take effect as of January 20, 2011. The initial term of this agreement shall extend through December 1, 2011. The term of this agreement shall be automatically extended for an additional year as of September 15 each year it remains in effect, i.e., as of September 15, 2011 the new expiration date shall be December 1, 2012, and so on. A party to this agreement may terminate its status as a party by providing written notice to all other parties to this agreement to this effect, provided that the effective date of such party’s termination shall be the expiration date of this agreement in effect at the time the termination notice is delivered. For example, if an AFA Cooperative provides a termination notice on October 1, 2011, its termination shall not be effective until November 1, 2012.

Chinook Data Sharing Agreement
February 11, 2011
Pollock Conservation Cooperative

By

Douglas Christensen
Its President

Mothership Fleet Cooperative

By

Joe Bersch
Its President

Arctic Enterprise Association

By

Christen Asay
Its Vice President and Manager

Peter Pan Fleet Cooperative

By

Unalaska Fleet Cooperative

By

Northern Victor Fleet Cooperative

By

Christian Asay
Its President and Manager

Akutan Catcher Vessel Association

By

Craig Cross
Its Executive Director

High Seas Catchers' Cooperative

By

Unalaska Fleet Cooperative

By

Its Vice President

Chinook Data Sharing Agreement
February 11, 2011
Chinook Data Sharing Agreement
February 11, 2011
Yukon Delta Fisheries Development Association

By

Ragnar O. Alstrom
Its Executive Director

Ocean Peace, Inc.
By

Michael Faris
Its President

Sea State, Inc.
By

Karl Haflinger
Its President

Chinook Data Sharing Agreement
February 11, 2011
Exhibit 3

CHINOOK SALMON CONSERVATION AREA AGREEMENT

This CHINOOK SALMON CONSERVATION AREA AGREEMENT is entered into by and among POLLOCK CONSERVATION COOPERATIVE ("PCC"), the HIGH SEAS CATCHERS COOPERATIVE ("High Seas"), MOTHERSHIP FLEET COOPERATIVE ("MFC"), the "Inshore Coops", i.e., AKUTAN CATCHER VESSEL ASSOCIATION, ARCTIC ENTERPRISE ASSOCIATION, NORTHERN VICTOR FLEET COOPERATIVE, PETER PAN FLEET COOPERATIVE, UNALASKA FLEET COOPERATIVE, UNISEA FLEET COOPERATIVE and WESTWARD FLEET COOPERATIVE, and SEA STATE, INC. ("Sea State") and UNITED CATCHER BOATS ASSOCIATION ("UCB") as of January 11, 2008. PCC, High Seas, MFC and the Inshore Coops are hereafter collectively referred to as the "Coops". This Agreement is entered into with respect to the following facts:

REQUITALS

The Coops are parties to that certain Amended and Restated Bering Sea Pollock Fishery Rolling Hot Spot Closure Salmon Bycatch Management Agreement dated December 1, 2007 (the "Salmon Bycatch Agreement"). The Coops believe that the effectiveness of the Salmon Bycatch Agreement may be enhanced by closing a certain area of the Bering Sea to pollock fishing by Coop member vessels during the Bering Sea pollock "A" season unless and until a determination is made that salmon bycatch rates within such closed area are not problematic.

Now, therefore, the parties agree as follows:

AGREEMENT

1. Purpose of Agreement. The purpose of this Agreement is to implement a Chinook salmon conservation area closure that enhances the effectiveness of the Salmon Bycatch Agreement. Each party to this Agreement agrees exercise all commercially reasonable efforts to achieve that purpose.

2. Monitoring and Management. The Coops shall retain Sea State to provide the data gathering, analysis, fleet monitoring and reporting services
necessary to implement the Chinook salmon conservation area closure contemplated under this Agreement. The Coops shall retain UCB to provide day-to-day management of inter-cooperative matters related to the performance of this Agreement.

3. Definitions. All capitalized terms not otherwise defined in this Agreement shall have the meaning given to them in the Salmon Bycatch Agreement.

4. Chinook Salmon Conservation Area Closure. The area described on the attached Exhibit A (the “Chinook Conservation Area”) shall be closed to all pollock fishing by Coop member vessels, including but not limited to fishing for Community Development Quota pollock, from the opening of each Bering Sea pollock fishery “A” season until the earlier of (i) such time as Sea State authorizes pollock fishing to take place in the Chinook Conservation Area in accordance with this Agreement, and then only on the terms and conditions established by Sea State, or (ii) closure of the Bering Sea pollock fishery “A” season.

a. If Sea State determines in its sole discretion that it is reasonable to conduct test fishing within the Chinook Conservation Area, Sea State may establish a protocol under which Coop member vessels may conduct pollock fishing operations in such Area. The terms and conditions of such protocol shall have the same force and effect as the Chinook Conservation Area closure implemented under this Agreement, and any violation of such terms shall constitute a breach of this Agreement, and the terms of Section 5, below shall apply to any violation of terms and conditions of such protocol.

b. If based on the results of test fishing activity within the Chinook Conservation Area Sea State determines in its sole discretion that Chinook salmon bycatch rates in the directed pollock fishery could be reduced by permitting pollock fishing to take place within the Chinook Conservation Area, Sea State may open the Chinook Conservation Area to pollock fishing, subject to the restrictions imposed under the Salmon Bycatch Agreement and any additional terms and conditions as Sea State may impose in its sole discretion.

5. Chinook Conservation Area Enforcement.

a. Sea State shall monitor the fishing activities of all Coops’ members’ vessels, and shall promptly report all apparent Chinook Conservation Area violations to all Coops. For purposes of this Agreement, “fishing” shall mean all activity of a vessel between the time of initial gear deployment and final gear retrieval. For purposes of this Section 5.a., “gear deployment” and “gear retrieval” shall have the meanings given them in 50 C.F.R. 679.2 or its successor,
as the same may be amended from time to time. Initial gear deployment shall mean setting trawl gear with an empty codend, and final gear retrieval shall mean retrieving trawl gear to either pull a codend aboard the vessel or to deliver the codend to another vessel.

b. Upon receiving notice of an apparent violation from Sea State, the Board of Directors of the Coop to which the vessel belongs shall have one hundred and eighty (180) days to take action in connection with the apparent violation, and to provide a report of the action taken and a copy of the record supporting that action to all other Coops. When the Board of Directors of the Coop to which the vessel belongs provides its report, or if the Coop Board of Directors fails to provide its report within such 180 day period, then Sea State and/or UCB shall distribute the Coop’s report (if provided) and the record developed by Sea State in connection with the apparent violation to all other Coops, and each Coop shall have standing to pursue Chinook Conservation Area enforcement actions equivalent to such Coop’s own rights with respect to its members.

c. The Coops hereby adopt a uniform assessment for a skipper’s first annual violation of a Chinook Conservation Area closure of Ten Thousand Dollars ($10,000.00), a uniform assessment for a skipper’s second annual violation of a Chinook Conservation Area closure of Fifteen Thousand Dollars ($15,000.00), and a uniform assessment of Twenty Thousand Dollars ($20,000.00) for a skipper’s third and subsequent annual violations. The Coops acknowledge that the damages resulting from violating a Chinook Conservation Area closure are difficult to estimate, and that the foregoing assessment amounts are therefore intended to be a substitute in all cases for direct, indirect and consequential damages. Therefore, the Coops agree that the assessment amounts established under this Subsection 5.c are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a Coop’s and its members’ obligations related to a Chinook Conservation Area closure violation. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such violation.

d. The Coops agree that any funds collected in connection with a violation of this agreement, in excess of those necessary to reimburse the prevailing party for its costs and attorneys fees, shall be used to support research concerning the stocks of origin of salmon taken incidentally in the Bering Sea pollock fishery.

e. For purposes of this Section 5, State and Federal landing reports, observer data, VMS tracking data, vessel log books and plotter data and Coop catch data produced by the Sea State in conformance with NMFS catch
accounting and bycatch estimation procedures shall be presumed accurate and sufficient for determining whether a vessel violated a Chinook Conservation Area closure, absent a clear and compelling demonstration of manifest error. The Coops agree to take all actions and execute all documents necessary to give effect to this provision.

f. The Coops agree to require their members to obtain and maintain an operational VMS unit approved by Sea State on their vessels, provided that such units are available on a commercially reasonable basis. The Coops agree to cause their members to release their VMS tracking data to Sea State. Sea State agrees not to disclose any such information, other than as specifically authorized under this Agreement, as necessary to fulfill the intents and purposes of this Agreement, or with prior consent from the affected vessel owner. The Coops agree that the damages resulting from vessels operating in non-compliance with this subsection are difficult to estimate, and the Coops therefore hereby adopt a uniform assessment of One Thousand Dollars ($1,000.00) per day for each consecutive day over thirty (30) consecutive days that a Coop member’s vessel is employed in the Fishery without an operational VMS unit approved by Sea State, provided such unit is available on a commercially reasonable basis.

6. Release and Waiver of All Claims Against Sea State and United Catcher Boats; Indemnification and Hold Harmless. The parties acknowledge that the effectiveness of this Agreement depends to a significant extent on Sea State’s and UCB’s discretion and judgment. The parties further acknowledge that if Sea State or UCB were potentially liable for simple negligence in connection with such actions, it would be necessary for Sea State and UCB to charge a substantially larger fee for the services they provide in connection with this Agreement, to offset that potential liability. It is therefore in the parties’ interest to reduce Sea State’s and UCB’s potential liability under this Agreement. Therefore, the Coops hereby waive and release any and all claims against Sea State and UCB arising out of or relating to Sea State’s or UCB’s services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by Sea State or UCB. Further, the Coops jointly and severally agree to indemnify, defend and hold Sea State and UCB harmless against any third party claims asserted against Sea State or UCB arising out of or relating to Sea State’s or UCB’s services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by Sea State or UCB.

7. Coop Membership Agreement Amendments. To give effect to this Agreement, the Coops agree to cause each of their Membership Agreements to be amended to include the following provisions.
a. Each Coop member shall acknowledge that its vessel’s operations are governed by this Agreement, and shall agree to comply with its terms.

b. Each Coop member shall authorize its Coop’s Board of Directors to take all actions and execute all documents necessary to give effect to this Agreement.

c. Each Coop member shall authorize its Coop Board of Directors to enforce this Agreement, and each member shall authorize the other Coops to individually or collectively enforce this Agreement upon the passage of one hundred eighty (180) days from the date such Board receives notice from Sea State that a Coop member may have failed to comply with the Agreement.

d. Each Coop member shall release to Sea State its State and Federal landing reports, observer data, VMS tracking data, and vessel log books and plotter data for purposes of determining its compliance with this Agreement, and agrees that in the event Sea State concludes that its vessel may have violated a Chinook Conservation Area closure, Sea State may release such data as Sea State in its sole discretion determines appropriate to facilitate enforcement of this Agreement.

e. Each Coop member shall agree that the information contained in the records identified in d., above, shall be presumed accurate absent a clear and compelling demonstration of manifest error, and shall be presumed sufficient to determine its compliance with this Agreement.

f. Each Coop member shall agree that the damages resulting from violating a Chinook Conservation Area closure are difficult to estimate, and that the assessment amounts provided under this Agreement are therefore intended to be a substitute in all cases for direct, indirect and consequential damages. Each Coop member shall agree that its Coop Board of Directors may modify Chinook Conservation Area violation assessment amounts from time to time, as necessary to maintain an effective deterrent to Chinook Conservation Area violations. Each Coop member shall agree that each trawl tow during which the member’s vessel fishes in a Chinook Conservation Area in violation of this Agreement shall constitute a separate violation for purposes of assessment calculation. Each Coop member shall agree that damages for violating this Agreement shall apply on a strict liability basis, regardless of a member’s lack of knowledge of the violation or intent to violate the agreement. Each Coop member shall agree that actual damages for violating this Agreement would be difficult to calculate, and shall therefore agree to pay the assessment amounts
established under this Agreement, as amended from time to time, as liquidated damages. Each Coop member shall agree to modify its skipper contracts to make its skipper(s) fully responsible for the assessments levied in connection with a breach of the agreement. Further, each Coop member shall agree that in the event a skipper fails to assume such assignment of liability, or in the event such assumption of liability is deemed invalid, the member shall be liable for the full amount of such assessment, and all related costs and attorneys' fees.

g. Each Coop member shall agree that in connection with any action taken to enforce this Agreement, the prevailing party shall be entitled to the costs and fees it incurs in connection with such action, including attorneys' fees.

h. Each Coop member shall agree that in addition to legal remedies, the Board of Directors of each cooperative shall be entitled to injunctive relief in connection with the second and subsequent violations of this Agreement.

i. Each Coop member shall agree to waive and release any and all claims against Sea State and UCB arising out of or relating to Sea State's or UCB's services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by Sea State or UCB.

8. Term. This Agreement shall take effect as of January 20, 2008. The initial term of this Agreement shall extend through November 1, 2008. The term of this Agreement shall be automatically extended for an additional year as of September 15 each year it remains in effect, i.e., as of September 15, 2008, the new expiration date of this Agreement shall be November 1, 2009, and so on. A party to this Agreement may terminate its status as a party by providing written notice to all other parties to this Agreement to that effect, provided that the effective date of such party's termination shall be the expiration date of this Agreement in effect at the time the termination notice is delivered. For example, if a Coop provides termination notice on August 15, 2008, its termination shall not be effective until November 1, 2008. If a Coop provides termination notice on October 1, 2008, its termination shall not be effective until November 1, 2009. Notwithstanding any party's termination of its participation in this Agreement or the expiration of its term, the enforcement provisions of Section 5, above, shall survive with full force and effect.


a. No amendment to this Agreement shall be effective against a party hereto unless in writing and duly executed by such party. The
parties agree to amend this Agreement as reasonably necessary to conform with changes in law or circumstances.

b. This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Washington.

c. This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Agreement by telefacsimile shall have the same effect as delivering a signed original.

d. The parties agree to execute any documents necessary or convenient to give effect to the intents and purposes of this Agreement.

e. All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed telefacsimile or e-mail transmission to the recipient. Each party to this Agreement agrees to provide the name, postal address, telefacsimile number and e-mail address of its duly authorized representative(s) for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.

f. In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

g. Each Coop agrees to use its best efforts to resolve any disputes arising under this Agreement through direct negotiations. Breaches of this Agreement for which a party seeks a remedy other than injunctive relief that are not resolved through direct negotiation shall be submitted to arbitration in Seattle, Washington upon the request of any party to this Agreement. The party’s written request will include the name of the arbitrator selected by the party requesting arbitration. The other party will have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3) arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Every arbitrator, however chosen, must have no material ties to any Coop or Coop member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final and
binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in its or their sole discretion. The arbitrator(s) will also determine the “prevailing party” and that party will be entitled to its reasonable costs, fees and expenses, including attorneys’ and arbitrator fees, incurred in the action by said party. 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 the applicable statute of limitations.

Entered into as of the date first set forth above.

<table>
<thead>
<tr>
<th>Mothership Fleet Cooperative</th>
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<td>By</td>
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<tr>
<td>Its President</td>
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Exhibit A. Chinook Salmon Conservation Area

Corner Coordinates:

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Chinook Conservation Agreement - Final 11 January 2008