

2010

FINAL REPORT

UNALASKA FLEET COOPERATIVE

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TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
II. UNALASKA FLEET COOPERATIVE	2
A. Membership	2
B. In Season Management	3
III. AFA POLLOCK	
A. Allocation of Bering Sea Pollock	5
B. Allocation to the Fleet	6
C. Initial Coop Allocation	7
D. Intra Coop transfers and Contract Fishing	8
E. Contract Fishing Schedule	9
F. Bering Sea Pollock Catch and Bycatch	10
G. Salmon Avoidance & Appearance on the Dirty Twenty List	11
H. Salmon Bycatch by Season	12
IV. SIDEBOARDS AND THE INTERCOOP AGREEMENT	
A. Sideboard Management	13
B. PSC Management	14
C. Monitoring	14
i. Sea Lion RPAs	15
ii. Penalties	15
iii. Transfers	15
iv. Salmon Management Plan	15

D. Bering Sea Directed Cod – Catch and Bycatch	17
E. Gulf of Alaska Directed Pollock – Catch and Bycatch	18
F. Gulf of Alaska Directed P. Cod – Catch and Bycatch	19
G. Gulf of Alaska Directed Shallow Water Flatfish - Catch and Bycatch	20
H. Gulf of Alaska Directed Arrowtooth Flounder - Catch and Bycatch	21
I. Gulf of Alaska Directed Rex Sole – Catch and Bycatch	22

APPENDIX

Unalaska Fleet Cooperative Membership Agreement

Intercooperative Vessel Rotating Hot Spot Closure Agreement

I. INTRODUCTION

The 1998 American Fisheries Act (AFA) allowed for the rationalization of the Bering Sea Pollock fishery by creating an avenue for the formation of cooperatives. Cooperatives are designed to improve both the economical and biological health of the Pollock fishery in the Bering Sea. Under the cooperative structure fishermen and processors are able to be flexible in designing fishing plans and therefore effectively reduce bycatch and better utilize all species in a fishery. Additionally federal fisheries managers receive better information on catch rates and stock distribution. As in previous years cooperatives were established in both the inshore and offshore sectors of the Bering Sea Pollock fishery. The offshore component formed the Pollock Conservation Cooperative, consisting of factory trawlers, a group of seven catcher vessels with history of delivering offshore to factory trawlers and the Mothership sector. The Mothership Sector formed one cooperative and the inshore sector formed a total of seven. Quotas are distributed to coops by the NMFS as per a formula based on the catch percentages by vessels in the best two of three qualifying years, 1995-1997 as set in the AFA.

The Unalaska Fleet Cooperative is one of seven inshore cooperatives formed in December 1999 in accordance to the directives set forth by congress through the AFA. Our objective is to reduce the competition for fish thereby promoting economic stability and safety for all members, fishermen and vessels.

In compliance with AFA regulations, this report is submitted as a summary of harvest and cooperative performance for the 2010 fishing season in the Bering Sea and the Gulf of Alaska. Catch figures are compiled from actual fish ticket information.

Catch statistics are separated into two sections, the Bering Sea AFA Pollock fishery and the sideboard fisheries in both the Bering Sea and the Gulf of Alaska. Included are tables reporting distribution and catch of AFA Pollock by member vessels. All target species, aggregate groundfish bycatch and prohibited species catch (PSC) are tabulated for each target fishery on a per vessel basis.

II. UNALASKA FLEET COOPERATIVE

A. MEMBERSHIP

The Unalaska Fleet Cooperative was formed in December of 1999 to obtain a specific allocation of Pollock in the Bering Sea and Aleutian Islands based on the landed history of member vessels in 1995, 1996 and 1997. The allocated cooperative amount is distributed among member vessels as per agreement in the bylaws of the cooperative. Our primary goal is to reduce and utilize non-target species bycatch in a responsible fashion while improving harvest and processing efficiencies in target fisheries. Additional goals include vessel safety and improved efficiency through gear advances. Members strive to reduce incidental bycatch of prohibited species through fishing practices, improved fleet monitoring and information distribution, and use of research and development of new gear and techniques. Membership consists of persons or entities that qualify to form a fishery cooperative associated with the Alyeska Seafood Inc plant in Unalaska under section 2 10(b) of the American Fisheries Act. Our membership was reduced in 2010 with the departure of the Morning Star.

MEMBER	VESSEL	LOA	AFA PERMIT NUMBER	COD EXPEMT STATUS
Alaska Rose L.P.	Alaska Rose	124'	515	Non exempt
Bering Rose L.P.	Bering Rose	124'	516	Non exempt
F/V Destination Limited Partnership	Destination	180'	3988	Non exempt
Great Pacific Limited Partnership	Great Pacific	124'	511	Non exempt
Rondy's Inc. and Seamate, Inc.	Progress	114'	512	Non exempt
Futura Fisheries Inc.	Vanguard	94'	519	Mothership
F/V Western Dawn, LLC	Western Dawn	113'	134	Mothership
Kendrick Bay L.P.	Sea Wolf	143'	1652	Non exempt
F/V Ms Amy and Messiah, L.P.	Ms Amy	90'	2904	Non exempt
F/V Ms Amy and Messiah, L.P.	Messiah	83'	6081	Exempt

B. IN SEASON MANAGEMENT

Fishing strategies and plans were developed to improve resource utilization. A manager was contracted to verify catch histories for Pollock and all sideboard species in both the Bering Sea/Aleutian Islands and the Gulf of Alaska and perform in season management of the fleet based on catch trends and fleet operations. Upon verification of histories, associated sideboard caps and cooperative Pollock allocations were then distributed among the coop fleet based on individual vessel landed catch histories using the same criteria as NMFS for each fishery. Distributions were made on an annual basis based on the same criteria used by NMFS for distribution to cooperatives. Seasonal and area caps were set parallel to NMFS regulations to protect Stellar Sea Lions.

The manager was tasked with monitoring the catch of Pollock and sideboard species and keeping the fleet and cooperative board updated through the fishery. Additional responsibilities include guiding the fleet in understanding the coop structure and objectives, gathering and analyzing data to help vessel captains reduce bycatch, and identifying and initiating change in accordance with those objectives. One of the main goals for 2010 was to not only closely monitor bycatch, but take strong measures to avoid any harvest of salmon, particularly Chinook. Harvest reports were filed weekly with NMFS as per regulation. The fleet was monitored and data sent to Sea State as per the Inter-Cooperative agreement. Quota management included filing of amendment 69 documents with NMFS to allow for contract fishing as needed and providing documentation for transfer of sideboard caps and AFA Pollock harvests both within and outside the coop. Weekly updates informed the membership of the overall standing of the fleet and coop related interactions. Communications were maintained with the captains, crews and the plant manager resulting in an orderly harvest of fish to meet increased utilization goals.

All deliveries were monitored and recorded both on a fleet and by vessel basis. Captains were presented with a one page spreadsheet outlining directed catch, by catch, prohibited species catch numbers and rates, and amount of allocation remaining. Bycatch was monitored on a per delivery basis, and information relayed to the fleet in a timely manner via satellite communications. The fleet was also updated as salmon closure areas were announced through the Inter Cooperative Agreement as per the Rolling Hotspot Closure System as part of amendment 84. All vessels that fished participated in the pilot program for the Salmon Savings Incentive Program. King salmon allocations were made by season to each vessel based on their percentage of the coop Pollock allocation. An updated table with, weekly and seasonal bycatch rates on a vessel and fleet basis was posted in house to identify bycatch trends and stimulate discussions on reduction ideas. Overall fleet catch and sideboard amounts were also monitored

by Sea Sate Inc and data was posted on a web site. All members of our fleet participated in the Intercoop Salmon Bycatch Reduction program. All parties compared in house data with this data on a weekly basis to reconcile accounting.

Transfer agreements were negotiated within the cooperative to facilitate the efficient use of allocations. Members were allowed to transfer shares of pollock to other members within the coop by first contacting the manager to verify the amount to be transferred. The manager prepared a spreadsheet outlining transfers which is incorporated into this report. The manager also initiated transfers based on remaining allocations, hold capacity, fishing grounds, fish size and quality. In general, the manager initiated transfers based on both fishing conditions and processing needs. All groundfish was delivered within the state of Alaska.

Contract fishing under amendment 69 of the AFA was initiated as needed during B season only. The F/V Poseidon of the Northern Victor coop was contracted to harvest our quota after the addition of unused ICA Pollock in September. Fishing operations began January 20 for the A season and June 10 for the B season. The early B season start compromised flesh recovery for salmon bycatch reduction. Overall all salmon rates were lower than in the past for both Chinook and Chum. The majority of the season our fleet fished east of the Pribilof Islands.

III. AFA POLLOCK

A. ALLOCATION OF BERING SEA POLLOCK

Pollock allocations to the Bering Sea were reduced in 2010 as a result of lower biomass calculations during the surveys. Overall the ITAC was reduced from 815,000 MT to 813,000 MT. The initial allocation of pollock was restricted to the Bering Sea. Aleutian Islands stocks were available as incidental catch in other fisheries and as a direct allocation to the Aleut Corporation. 19,000MT was set aside for the Aleutian Islands of which 15,500 was allocated directly to the Aleut Corporation. Initial TAC for Pollock included ICA, CDQ and both inshore and offshore AFA allocations. In October unused ICA was distributed to all sectors. This amount was distributed based on established schedules as follows:

TAC	813,000
CDQ	81,300
INCIDENTAL CATCH ALLOWANCE	24,768
* OFFSHORE – 40%	282,773
* MOTHERSHIP – 10%	70,693
* INSHORE – 50%	353,466

* Amounts calculated after deductions for CDQ and ICA

B. ALLOCATION TO THE UNALASKA FLEET COOPERATIVE.

The inshore component is comprised of seven cooperatives. Individual coop allocations were based on the aggregate catch of member vessels during the best two of three years during 1995-1997. The total of all coops was then subtracted from the total inshore allocation to determine the open access quota. There was one vessel in the open access category for 2010. There was no reallocation of Aleutian Islands area Pollock.

COOPERATIVE	PERCENTAGE OF INSHORE ALLOCATION	2010 FINAL ALLOCATIONS
Akutan Catcher Vessel Association	32.024%	113,194
Arctic Enterprise Association	0.00%	0
Northern Victor Cooperative	9.378%	33,149
Peter Pan Fleet Cooperative	2.876%	10,167
Unalaska Fleet Cooperative	10.493%	37,088
Unisea Fleet Cooperative	25.954%	91,739
Westward Fleet Cooperative	18.488%	65,350
Open Access	0.787%	2,780
TOTAL	100.000%	353,466

C. INITIAL ALLOCATION TO VESSELS WITHIN THE UNALASKA COOPERATIVE - 2010

Vessels within the cooperative received initial allocations based on their catch histories in the best two of three years in 1995-1997. Distribution within the coop did change to reflect the reduction in membership

VESSEL	2010 MT	COOP %
ALASKA ROSE	5,950	16.044%
BERING ROSE	6,093	16.428%
DESTINATION	7,609	20.518%
GREAT PACIFIC	4,370	11.782%
MESSIAH	810	2.183%
Ms. AMY	1,726	4.653%
PROGRESS	3,576	9.643%
SEA WOLF	5,357	14.444%
VANGUARD	199	0.538%
WESTERN DAWN	1,397	3.766%
TOTAL	37,088	100.000%

**D. UNALASKA FLEET COOPERATIVE - 2010 INTRA COOPERATIVE TRANSFERS,
CONTRACT FISHING AND HARVEST**

VESSEL	ALLOCATION				REMAINING
	INITIAL	CO-OP TRANSFERS	CONTRACT	HARVEST	ALLOCATION
ALASKA ROSE	5,950.49	334.26		6,284.75	0.45
BERING ROSE	6,092.99	457.94		6,550.94	0.46
DESTINATION	7,609.68	727.13		8,336.81	0.58
GREAT PACIFIC	4,369.61	196.31		4,565.92	0.33
MESSIAH	809.82	-809.82		0.00	0.06
Ms. AMY	1,725.80	-1,725.80		0.00	0.13
PROGRESS	3,576.35	149.72		3,726.07	0.27
SEA WOLF	5,357.05	652.15		6,009.20	0.41
VANGUARD	199.43	220.52		419.95	0.02
WESTERN DAWN	1,396.79	479.23		917.56	0.11
TOTAL	37,088.00		274.00	37,085.20	2.81

Members were allowed to transfer allocation within the coop to increase the efficiency of the fleet. Quotas were managed in lbs to facilitate reconciling of numbers with fish ticket information. Differences are due to rounding errors in the repeated conversion of weights from pounds to metric tons and back. Both the individual member and the coop manager initiated transfers. No contract deliveries were made by members of our fleet for other coops under amendment 69.

E. UNALASKA FLEET COOPERATIVE 2010 – CONTRACT FISHING SCHEDULE

VESSEL	CONTRACTING COOPERATIVE	HOME COOPERATIVE	DELIVERY LOCATION	CONTRACT AMOUNT MT	HARVEST AMOUNT MT
POSEIDON	Unalaska Fleet Cooperative	Northern Victor Coop	Alyeska Seafoods	300.00	274.00
TOTAL Fished for other coops by UFC vessels					0.00
Total fished for UFC under contract					274.00

In 2010, the Unalaska Fleet Cooperative had finished operations before release of unused quota from the ICA and therefore contracted the vessel Poseidon to help harvest quota under amendment 69. None of our member vessels were contracted by other coops to help harvest their quota. As per regulation, a petition was filed with NMFS RAM division with a fishing plan for these contracts.

F. UNALASKA FLEET COOPERATIVE 2010 BERING SEA – AFA DIRECTED POLLOCK FISHERY – CATCH AND BYCATCH

Vessel	Landed Pollock	Total Groundfish Catch	Halibut Bycatch No.	Halibut Mortality	Chinook No.	Other Salmon No.	Red King crab No.	Bairdi No.	Other Tanner No.	Herring Wt
ALASKA ROSE	6284.75	6,638.51	1,379	6.45	118	101	1	27	42	0.12
BERING ROSE	6550.94	7,082.92	2,196	7.94	218	2231	2	41	54	0.44
DESTINATION	8336.81	8,608.85	1,405	6.19	102	174	1	32	50	1.31
GREAT PACIFIC	4565.92	4,749.22	794	3.91	76	76	1	15	29	32.23
PROGRESS	3726.07	3,850.11	607	3.41	102	47	0	14	24	8.85
SEA WOLF	6009.20	6,244.38	2,909	4.51	87	97	1	21	33	0.01
VANGUARD	419.95	432.67	3	0.28	11	6	0	1	0	0.00
WESTERN DAWN	917.56	939.50	1520	1.11	34	32	0	5	2	0.00
POSEIDON	274.00	287.57	97	0.19	3	19	0	0	0	0.00
FLEET TOTAL	37,085.20	38,833.74	10,790	20.86	751	2,783	6	156	235	42.95

Historical Salmon migration patterns, PSC catch rates and seasonal historic processor product recovery rates were all considered in creating the fishing plan. PSC bycatch numbers were monitored in conjunction with the intercoop manager and Sea State Inc. Daily reporting of salmon catch rates in ADF&G statistical areas by delivery were compiled to create “hot spot” avoidance areas. Our coop participated in the ICA rolling hot spot closure program. Most members of our coop used salmon excluders and followed protocols developed through the EFP to allow escapement of live salmon from the trawl. Some members of our coop went so far as to purchase and share a camera to help fine tune excluders to maximize escapement while minimizing the loss of target fish. Overall all members agreed to prioritize bycatch reduction and were dedicated to attain this goal.

G. UNALASKA FLEET COOPERATIVE – APPEARANCE ON DIRTY 20 LIST:

	Chinook	Chum
ALASKA ROSE	2	2
BERING ROSE	6	3
DESTINATION	2	4
GREAT PACIFIC	1	3
PROGRESS	3	2
SEA WOLF	3	1
VANGUARD	5	5
WESTERN DAWN	3	6

The fleet concentrated on minimizing salmon bycatch through the use of good judgment and the experimental salmon excluder. This was done at the expense of better flesh recovery for the processing plant and higher fuel costs for the vessel. The passage of Amendment 84 cemented the confidence within the fleet that a reliable program with longevity was in place to reduce salmon bycatch that evened the playing field with compliance monitoring and penalties for vessels that fail to prioritize salmon avoidance. Fishing is competitive by nature and fishermen tend to rate themselves based on their ability to harvest their share of the fishery in an efficient manner. Instability in regulations allows for unchecked and unreasonable competition that may not be in the best long term interest of the resource. Estimates for the number of salmon saved using area avoidance strategies and complying with the Variable Hot Spot Closures as per the ICA bycatch reduction plan will be available in the report prepared by the ICA manager. The coop manager was responsible to provide information to the vessels and notify both the vessel and the IC manager if any vessel violated a salmon closure. The table above represents the number of times during each season that members of the coop were on the “dirty twenty list.” This list is published weekly by Sea State Inc. and represents vessels with the highest bycatch rate. The Unalaska Cooperative fleet appearance on these lists was minimal in 2010 with the exception of one vessel with one unlucky delivery. The Western Dawn and Vanguard are listed in the table above, however are a dual qualified vessel and were fishing for the Mothership Cooperative for nearly all the seasons.

H. UNALASKA FLEET COOPERATIVE – SALMON BYCATCH BY SEASON:

	CHINOOK		CHUM	
	A	B	A	B
ALASKA ROSE	103	15	0	101
BERING ROSE	207	11	1	2,230
DESTINATION	88	14	0	174
GREAT PACIFIC	65	11	2	74
PROGRESS	92	10	0	47
SEA WOLF	81	6	0	97
VANGUARD	11	0	0	6
WESTERN DAWN	34	0	0	32
POSEIDON	0	3	0	19
TOTAL	681	70	3	2780

As expected, Chinook numbers were higher during the A season and Chum numbers were higher in the B season. Given the smaller quotas we were able to end operations before Chinook salmon moved into the Bering Sea – usually in October. The increase in Chum numbers was a result of a single unfortunate delivery. The vessel, Bering Rose, stopped fishing and returned to port thus avoiding additional bycatch. Every effort was made to avoid salmon.

III. SIDEBOARDS AND THE INTERCOOP AGREEMENT

As in previous years, representatives of the nine catcher vessel cooperatives developed an agreement that governs the relationships between the individual cooperatives. This agreement was approved by all the catcher vessel (CV) cooperatives. The primary reasons for this agreement include:

- 1) Allocation, monitoring and compliance of the GOA and BSAI groundfish limits among the coops;
- 2) Allocation, monitoring and compliance of certain PSC caps by the individual cooperatives;
- 3) Allocation and monitoring and compliance of the harvest of BSAI pollock inside the Steller Sea Lion Conservation Area during the A season (over and =/under 99' vessels ;)
- 4) Establishment of penalties for a coop exceeding its pollock and sideboard allocations;
- 5) Provide for the harvest of BSAI P. cod for the "< 1700 mt" exempt vessels while complying with AFA PSC limits;
- 6) Establishment and monitoring of sideboard species transfers between cooperatives;
- 7) To promote compliance of the Council's recommended Sideboard measures and PSC limits while allowing for maximum harvest of the AFA pollock and sideboard allocations; and
- 8) To establishment, monitoring and enforcing the Chum and Chinook Salmon Management Plan to reduce Salmon bycatch.

A. Sideboard Management

In accordance with Section 211(c) of the AFA, the North Pacific Fisheries Management Council (Council) adopted sideboard species caps to give assurances to non-AFA vessel owners that AFA vessels would not harvest more than their traditional levels of groundfish fisheries in the GOA and BSAI. However, the Council and NMFS did not provide allocations of sideboard species to the individual cooperatives. Rather, they established an aggregate groundfish sideboard cap for all AFA catcher vessels. In order to work together to meet the Council's intent of not exceeding these caps, all nine CV cooperatives agreed to individual coop harvest limits and penalties for all sideboard fisheries, combined with an industry funded and established catch monitoring program (Sea State, Inc.).

The cooperatives agreed to limit their collective members' harvest of each sideboard species to the amount determined by a history-based formula set out in the Intercoop Agreement. The formula includes reserving an amount of each sideboard species necessary to fund bycatch needs of other directed fisheries (example: P. cod bycatch in the Pollock or YFS fisheries).

Making this agreement somewhat difficult was the Council established exempt vessel classification for CVs. The Council established an exemption to the BSAI P cod limit for AFA vessels < 125' LOA whose annual BSAI Pollock landings during 1995-1997 were less than 1700mt and also had made more than 30 deliveries of P. cod during those years. The Council also exempted the Mothership AFA vessels from the BSAI P. cod cap after March

1st. In addition, the Council made an exemption to the GOA groundfish limits for AFA vessels < 125' LOA whose annual BSAI Pollock landings during 1995-1997 were less than 1700mt and also had made more than 40 GOA deliveries of groundfish during those years. The agreement allows the exempt vessels unlimited access to the directed fishery, while constraining them to an acceptable PSC rate.

The Council's exempt recommendation was for an exemption to the directed species, (in this case P. cod), and not an exemption to associated PSC bycatch. To address this problem, the Intercoop Agreement contains language that provides for the AFA exempt vessels to fish the BSAI CV cod directed fishery allowance unconstrained. The agreement also provides for an allocation of PSC to these exempt vessels' coop as long as these vessels PSC rate below the acceptable AFA fleet rate.

B. PSC Management

Each coop receives PSC cap allocations for its non-exempt vessels proportionate to its related sideboard species allocations. In addition, each coop receives an initial PSC allocation for its exempt vessels. If a coop's exempt vessels' PSC rate remains at or below the predetermined acceptable rate, the coop can receive additional PSC when needed, as determined by the Monitoring Agent (Sea State), in order to continue fishing for BSAI P. cod. This "refreshing of PSC" only applies to the exempt AFA Vessels within a coop. The non-exempt AFA vessels have to live with their initial allocation of PSC.

C. Monitoring

The agreement acknowledges that timely reported catch data is necessary. Coops are required to provide timely data on sideboard catch and PSC to a monitoring agent. The nine CV coops have agreed to contract with Sea State, Inc. to provide centralized monitoring and reporting. Data sources include the NMFS Shoreside Logbook Reporting Program, along with the Observer Program information.

An intercoop manager was hired and retained by United Catcher Boats to facilitate intercoop communications and negotiations. Communications between coop managers, Sea State and the intercoop manager were paramount to the success of fleet-wide measures aimed at reducing prohibited species bycatch in both the pollock and cod fisheries.

For example, using information available on the Sea State web site, the coop members were able to determine general trends in fleet bycatch by time and area. Halibut mortality rates were established by Sea State based on in season observer data. Weekly rates were available to coops by area and in aggregate. Overall fleet directed and bycatch amounts were monitored to facilitate transfers, cap utilization and bycatch reduction.

Another example involves coop members' efforts to manage salmon bycatch. During the season Salmon catch rates were reported daily by vessel and area to the intercoop manager. Data from all coops was correlated and results were sent to coop managers and vessel

captains. Fleets were then able to avoid the largest concentrations of Salmon and reduce bycatch rates.

i. Sea Lion RPAs

Through the Intercoop Agreement, the coops agreed to limit their aggregate annual pollock harvest of its members per season and per area to the percentage of the annual inshore pollock directed fishing allowance. During the A season agreements were made to allow vessels under 99' to fish unrestricted inside the SCA.

ii. Penalties

The nine CV coops agreed to establish a penalty clause in the Intercoop Agreement in order to create over harvest disincentives. The penalty for an Inshore Coop member exceeding its pollock allocation amount for area or season is \$500/mt for the pollock "A" season and \$300/mt for the B season. For exceeding a BS, AI and GOA P. cod sideboard allocation, the penalty amount is \$1,000/mt. For exceeding all other groundfish sideboard species, the penalty amount is \$300/mt. For this past year Sea State Inc. determined that none of our coop members exceeded their harvest allocations for either directed AFA pollock or sideboard species. Thus there were no penalties assessed.

iii. Transfers

The Intercoop Agreement allows for the facilitation of transfers of pollock allocation and Sideboard limits among members. Upon verification of available cap by Sea State and the approval of transfer by the intercoop manager, sideboard caps of directed and prohibited species were transferred between coops. By allowing transfers, coops managed fleets to improve utilization of target species, reduce bycatch and provide a mechanism by which coops could manage their fleets to comply with the intercoop agreement. The total number of non exempt vessels participating in the P. Cod fishery was also monitored to ensure minimum impact on non AFA vessels.

iv. Salmon Management Plan

In cooperation with the Catcher Processor sector, the intercooperative agreement included a plan to reduce Salmon bycatch in the Bering Sea. Closures were based on Chinook rates in the A season and Chum rates in the B season. Each vessel reported bycatch numbers on a per haul basis to Sea State Inc daily via satellite communication. Bycatch rates were developed for each ADF&G statistical area weekly and coops ranked based on their aggregate vessel performance for a two week rolling window. The Bering Sea was divided into two zones. The area with the highest bycatch rate in each zone was closed to coops based on their rank. In the A season, Tier I coops, with cumulative Chinook rates 25% below the average rate in a two week window, determined in fish/MT, were able to fish in closed areas. Tier II vessels (25% below average to 15% above average) were unable to fish in a

closed area for 4 days. Tier III vessels (those with rates more than 25% greater than the average) were unable to fish in a closed area for 7 days. Initially the an area determined to have a history of high Chinook abundance, along the northern edge of the “horseshoe” near Unimak Pass was closed to all vessels regardless of tier status. The remainder of the closure areas were recalculated every Monday and Thursday for closure on Tuesday and Friday. Tier rates were calculated every Thursday for implementation from Friday through Friday. A season tier status was based on Chinook rates while B season Tiers were based on Chum rates. During the B season, areas identified with high Chinook rates were closed to all vessels regardless of their tier status. These closures were called “core” closures. Vessels were required to send out incident reports notifying the entire fleet of any areas with high Salmon concentrations. In addition to the core closures for Chinook, an area established to have historical high rates of Chinook during the A season was closed to all vessels beginning January 20th. All coop members were required to authorize Sea State, the monitoring agent, access to their VMS information in order to monitor compliance with closure areas and to develop areas with high salmon concentrations. A penalty clause was added to the ICA agreement.

Savings closure penalties (annual)

- i. 1st violation - \$10,000.00
- ii. 2nd violation - \$15,000.00
- iii. 3rd and subsequent violations - \$20,000.00
- iv. These assessments are liquidated damages

Each vessel was also required to submit reports for each tow with information on tow size, depth, position and number of salmon seen. Coop managers were required to notify the Intercoop manager and Sea State of all deliveries made by vessels contracted under amendment 69. Salmon harvested under amendment 69 rules were accounted to the contracting coop and were included in the calculation of tier levels and therefore closures. None of the Unalaska Fleet Coop vessels were in violation of closure areas.

More information on the rolling hot spot closure and vessel performance may be found in a report by the Intercooperative Manager and by SeaState Inc. A copy of this report may be found as an addendum to this document.

D. UNALASKA FLEET COOPERATIVE 2010 BERING SEA – DIRECTED COD FISHERY - CATCH AND BYCATCH

Vessel	Status	Landed Cod RWE	Total Groundfish Catch	Halibut Mortality	Chinook N	Other Salmon N	Red King crab N	Bairdi N	Other Tanner N	Herring Wt
MESSIAH	exempt	149.77	168.80	1.55	6	8	0	79	8	0
TOTAL	non - exempt	0	0	0	0	0	0	0	0	0
TOTAL	exempt	149.77	168.80	1.55	0	0	0	79	8	0
FLEET TOTAL		149.77	168.80	1.55	0	0	0	79	8	0

In accordance with regulations set forth to protect non Pollock fisheries as a result of AFA management strategies, catch limits based on historical participation by AFA qualified boats were included in the 2010 TAC distributions. These sideboard caps were based on historical fleet catches during the 1995 – 1997 fisheries in the Bering Sea and the Gulf of Alaska. In recognition of traditional fishing plans of some Bering Sea Cod vessels, further regulations were implemented to exempt “catcher vessels less than 125ft LOA whose annual BSAI pollock landings averaged less than 1,700 MT and that made 30 or more landings of BSAI Pacific Cod during that time period,” from sideboard caps. Additionally, in recognition of traditional fishing plans and histories, mothership qualified vessels were also exempt after March 1st. The Messiah (less than 1,700 MT) the Western Dawn and the Vanguard (mothership vessels,) qualify under these regulations. Mothership vessel Pacific Cod catches will be included in reports filed by the mothership cooperative. By agreement all coops limited the number of exempt vessels from the Cod fishing grounds during for the duration of the A season Pollock fishery. In 2010 the Messiah was able to reduce bycatch of halibut and all crab.

Only the exempted vessel Messiah participated in the 2010 P. Cod directed fishery in the Bering Sea for our coop.

E. UNALASKA FLEET COOPERATIVE 2010 GULF OF ALASKA POLLOCK CATCH AND BYCATCH

Vessel	610 Pollock Landed RWE	620 Pollock Landed RWE	630 Pollock Landed RWE	640 Pollock Landed RWE	Total Groundfish Weight	Halibut Bycatch MT	Chinook #	Other Salmon #	Red King crab #	Bairdi #	Other Tanner #	Herring Wt
MESSIAH	314.60				333.28	0.02	71	0	0	0	0	0
PROGRESS												
VANGUARD		405.61			430.98	1.42	83	2	0	0	0	0
PROGRESS		615.33			642.20	0.13	55	0	0	0	0	0
VANGUARD			725.22		753.76	0.34	275	5	0	0	0	0
PROGRESS			625.75		639.90	0.02	162	5	0	0	0	0
PROGRESS				90.94	99.50	0	0	0	0	0	0	0
TTL 610	314.60				333.28	0.00	71	0	0	0	0	0
TTL 620		1020.94			1073.17	1.55	138	2	0	0	0	0
TTL 630			1350.97		1393.65	0.36	437	10	0	0	0	0
TTL 640				90.94	99.50	0	0	0	0	0	0	0

Members of the Unalaska Cooperative have traditionally participated in Pollock fisheries in both the Central and Western Gulf of Alaska. In compliance with AFA regulations and Inter co- operative agreements, catches for 2010 were limited to historic percentages of AFA sideboards as calculated by Sea State Inc. Additionally, participation was limited to vessels meeting criteria set by council and NMFS. Only vessels without any Bering Sea Pollock landings were allowed to participate in the Western GOA area 610 Pollock fishery. Vessels under 125 ft were qualified to fish in the Central GOA areas 620 and 630 after a 3 day stand down as required by regulation. Central Gulf participation was further restricted, by in season cooperative management, to those vessels with specific Central Gulf history. Values above represent harvest in directed fisheries. No tender operations were used in any GOA fishery, all deliveries were made directly to shore plants in Kodiak, King Cove and Dutch Harbor. Sideboard caps were transferred into our coop for areas 620, 630, 640 and out of our coop for area 610. Numbers represent actual catch as per ADF&G fish tickets

F. UNALASKA FLEET COOPERATIVE 2010 CENTRAL GULF OF ALASKA – PACIFIC COD – DIRECTED FISHERY CATCH AND BYCATCH

Vessel	P. Cod Landed RWE	Total Groundfish Weight	Halibut Bycatch N	Chinook N	Other Salmon N	Red King crab N	Bairdi N	Other Tanner N	Herring Wt
PROGRESS	139.27	140.60	0	0	0	0	0	0	0
VANGUARD	227.63	257.44	12	0	0	0	0	0	0
TOTAL	366.90	398.04	12	0	0	0	0	0	0

This table represents hauls with target Pacific Cod in the Central Gulf of Alaska. Both the Vanguard and Progress participated in the directed Cod fishery. Values above represent harvest landed in a directed fishery only. Additional sideboard was made available through inter-cooperative transfers.

G. UNALASKA FLEET COOPERATIVE 2010 GULF OF ALASKA – SHALLOW WATER FLATFISH– DIRECTED FISHERY

Vessel	Eastern GOA SWF Landed GWE	Central GOA SWF Landed RWE	Western GOA SWF Landed RWE	Total Groundfish Weight	Halibut Bycatch N	Chinook N	Other Salmon N	Red King Crab N	Bairdi N	Other Tanner N	Herring Wt
Vanguard		58.52		84.72	83	0	0	0	0	0	0
TOTAL		58.52		84.72	83	0	0	0	0	0	0

Participation in these fisheries was limited to one vessel. In agreement with NMFS in season managers and the intercoop manager, the fishery was opened under strict voluntary registration measures. Values above represent landed harvest in a directed fishery only.

H. UNALASKA FLEET COOPERATIVE 2010 GULF OF ALASKA – ARROWTOOTH FLOUNDER– DIRECTED FISHERY

Vessel	Eastern GOA AF Landed GWE	Central GOA AF Landed RWE	Western GOA AF Landed RWE	Total Groundfish Weight	Halibut Bycatch N	Chinook N	Other Salmon N	Red King Crab N	Bairdi N	Other Tanner N	Herring Wt
Vanguard		369.75		473.22	420	0	0	0	0	0	0
TOTAL		369.75		473.22	420	0	0	0	0	0	0

Participation in these fisheries was limited to one vessel. Weights represent landed catch only. In agreement with NMFS in season managers and the intercoop manager, the fishery was opened under strict voluntary registration measures. Values above represent harvest in a directed fishery only.

I. UNALASKA FLEET COOPERATIVE 2010 GULF OF ALASKA – REX SOLE – DIRECTED FISHERY

Vessel	Eastern GOA RS Landed GWE	Central GOA RS Landed RWE	Western GOA RS Landed RWE	Total Groundfish Weight	Halibut Bycatch N	Chinook N	Other Salmon N	Red King Crab N	Bairdi N	Other Tanner N	Herring Wt
Vanguard		73.33		154.44	62	0	0	0	0	0	0
TOTAL		73.33		154.44	62	0	0	0	0	0	0

Participation in these fisheries was limited to one vessel. Weights represent landed catch only. In agreement with NMFS in season managers and the intercoop manager, the fishery was opened under strict voluntary registration measures. Values above represent harvest in a directed fishery only.

APPENDIX:

**UNALASKA FLEET COOPERATIVE MEMBERSHIP
AGREEMENT**

**INTERCOOPERATIVE VESSEL ROTATING HOT SPOT
CLOSURE AGREEMENT**

MEMBERSHIP AGREEMENT

This MEMBERSHIP AGREEMENT is entered into as of Dec 16, 1999 by and among the entities and vessels listed on Exhibit A hereto, and any other members admitted pursuant to this Agreement (together, the "Members") and UNALASKA FLEET COOPERATIVE, a Washington nonprofit corporation (the "Cooperative").

RECITALS

A. The American Fisheries Act (Div. C, Title 11 of Public Law 105-277) (as amended from time to time, the "Act") allocates the annual quota for the Bering Sea and Aleutian Islands ("BS/AI") pollock fisheries among three harvesting sectors for the years 1999 through 2004 and defines the classes of vessels eligible to harvest within each sector. Under Sections 206(b) and 208(e) of the Act, 50% of the Bering Sea pollock resource (net of a 10% allocation to the Community Development Quota program, and net of certain amounts reserved for incidental catch in non-pollock fisheries) is allocated to catcher vessels harvesting pollock for processing by the "inshore component."

B. As of the effective date of this Agreement, the Members own eighty percent (80%) or more of the vessels qualified under Section 210(b)(1) of the Act to participate in a fishery cooperative delivering pollock to the Alyeska Seafood, Inc. ("Alyeska") plant in Unalaska, Alaska (the "Plant") during the year 2000 (the "Vessels"). Each vessel listed on Exhibit A shall have a separate membership.

C. The Cooperative has been formed for the sole purpose of: obtaining an aggregate of BS/AI pollock pursuant to Section 210(b) of the Act; sub-allocating that aggregate allocation among the Cooperative's Members in proportion to their catch histories pursuant to the Cooperative's Membership Agreement; taking such actions as may be necessary to insure the Cooperative and its Members conduct their joint harvesting activities in compliance with the Act and related regulations implemented by the National Marine Fisheries Service ("NMFS") from time to time; and only such other actions may be necessary to fulfill the purposes set forth in this Paragraph C.

Now, therefore, the parties agree as follows:

1. Cooperative Allocation. Each Member agrees to exercise all commercially reasonable efforts to obtain the Allocation. To that end, each Member agrees that, other than as provided in Section 210(b)(6) of the Act and this Agreement, each Member shall deliver pollock harvested in the BS/AI inshore directed pollock fishery only to the Plant for so long as they remain Members. Each Member further agrees to release to the Cooperative or such agent as the Cooperative may reasonably designate all catch data related to the operation of such Member's Vessel in all BS/AI and Gulf of Alaska ("Gulf") directed fisheries during the years 1995, 1996 and 1997. Except as provided in Sections 3g and 3h, a Member is obligated to deliver all pollock

harvested in the "inshore" pollock directed fishery to the Plant, and a member's obligation to do so expires on withdrawal from the Cooperative.

2. Voluntary Participation. The Members hereby agree that a qualified Vessel owner shall be entitled to become a Member of the Cooperative on the terms and conditions set forth herein upon (i) making an application to the Board of Directors of the Cooperative demonstrating that it meets the eligibility criteria set forth in this Agreement and the Bylaws; (ii) executing a counterpart of the Cooperative Membership Agreement then in effect; and (iii) and demonstrating qualification under Section 210(b)(3) of the Act.

3. Harvesting Plan. Each Member hereby agrees, subject to the terms and conditions of the Act, this Membership Agreement, the Articles of Incorporation and the Bylaws of the Cooperative, and applicable restrictions under U.S. antitrust law, to harvest an annual percentage of the BS/AI and Gulf of Alaska resources no greater than provided under this Agreement Vis-à-vis all other Members and the Cooperative, each Member shall be entitled to harvest types and amounts of species equivalent to the types and amounts of such species that accrue to the Cooperative in connection with such Member's catch history in the BS/AI inshore pollock fishery, and/or that the Member is eligible to harvest under the American Fisheries Act sideboards implemented by NMFS from time to time, and each Member's seasonal apportionments shall be made such that each Member is able to continue its Vessels' historical pattern of fishery participation.

a. Pollock. Each Member agrees that other than as provided in Section 3.g., below, and otherwise expressly provided herein, no Member shall harvest an annual percentage of the Allocation greater than that Member's percentage as set forth on the harvest schedule attached hereto as Exhibit A, as the same may be amended from time to time (the "Harvest Schedule"). The Members intend that each Member shall hold a Harvest Schedule percentage that is based on an amount calculated by dividing (i) the total amount of pollock harvested by Member's Vessel in the directed pollock fishery for processing by the inshore component during 1995, 1996 and 1997 (the "Period"), by (ii) the aggregate total amount of pollock harvested by all vessels in the directed pollock fishery for processing by the inshore component during the Period. The Schedule shall be adjusted based on changes by the NMFS to a Member's catch history.

The Board of Directors shall, consistent with such intent, determine each Member's Harvest Schedule percentage annually, before the beginning of the calendar year during which such Harvest Schedule shall be in effect. If additional Vessel owners elect to become Members thereafter and prior to the final date on which such election may be made, the Board shall adjust the Harvest Schedule accordingly. The Board shall base its calculations on the best data available in establishing the pollock Harvest Schedule percentages, but it shall be each Member's responsibility to provide this information and if any Member fails to do so, the Board shall be entitled to presume that Member is not entitled to catch history for which Member fails to provide reliable information. Absent manifest error, National Marine Fisheries Service ("NMFS") data shall be presumed accurate. The provisions of Section 5 shall apply to any Member's failure to comply with such allocation.

The Members recognize that the North Pacific Fishery Management Council (the "Council") at its June, 1999 meeting, adopted a resolution to utilize catch history for each vessel's best two (2)

calendar years of fishing during the Period to determine allocations of the BS/AI pollock fishery to inshore sector cooperatives. In addition, the Council adopted a resolution that vessels are to receive credit in the inshore fishery for their deliveries to catcher/processors during the Period to the extent that such deliveries exceed 499 metric tons. NMFS intends to implement these resolutions in determining the allocation of each Cooperative. The Board of Directors shall adjust the Member's Harvest Schedule percentages to conform with the NMFS determination of the Cooperative's Allocation based on these Council actions effective as of the calendar year during which such NMFS determinations first take effect.

b. **Non-Pollock Groundfish and Crab.** The Members agree to limit their Vessels' aggregate annual harvest of BS and AI non-pollock groundfish and Gulf groundfish to an amount equal to or less than the aggregate "traditional harvest level" of such vessels in other fisheries under the authority of the Council, as the Council and/or the Secretary of Commerce may determine such fisheries, as such "traditional harvest levels" are established and managed under 50 C.F.R. 679.63 as amended from time to time (the "Groundfish Sideboards"). Upon the Cooperative entering into an agreement with one or more other BS/AI inshore pollock fishery cooperatives under which such cooperatives agree to jointly limit their combined members to their aggregate Groundfish Sideboard amounts, the Members aggregate Groundfish Sideboard amounts shall be determined in accordance with such intercooperative agreements(s), subject in all cases to any applicable provisions of 50 C.F.R. 679.63 as amended from time to time.

To facilitate compliance with the limits described in this Section: (i) the Cooperative shall have the authority to enter into agreements with such other BS/AI inshore sector cooperatives as may be formed under Section 210 of the Act, apportioning among the Cooperative and such cooperative(s) the harvest of BS/AI non-pollock and Gulf groundfish and crab; and (ii) the Cooperative's Board of Directors shall annually allocate among the Members the amount of BS/AI non-pollock and Gulf groundfish available for directed harvest by the Vessels in direct proportion to the contribution to the Cooperative's sideboard caps of such species made as a result of such Member's catch history. The Board shall base its calculations on the best data available as in establishing the pollock Harvest Schedule percentages, but it shall be each Member's responsibility to provide this information and if Member fails to do so, the Board shall be entitled to presume that Member is not entitled to a share of any cap for which Member fails to provide reliable catch history information. Absent manifest error, NMFS data shall be presumed accurate. The provisions of Section 5 shall apply to any Member's failure to comply with such allocation.

The Members acknowledge that one or more Members may be eligible to participate in both the Cooperative and the mothership sector of the BS/AI pollock fishery. The Members further acknowledge that notwithstanding a Member's participation in more than one BS/AI fishery sector or cooperative, the extent of such Member's eligibility to participate in non-pollock groundfish and crab fisheries may be subject to an aggregate limit based on its catch history in such fisheries. Each Member agrees to take all actions necessary to insure that the Cooperative is not disadvantaged by a Member's participation in the mothership sector. Specifically each Member that participates in that sector or a cooperative other than the Cooperative shall take all actions necessary to allocate to the Cooperative the amounts of non-pollock groundfish and PSC adequate to permit the Cooperative's other Members to conduct their directed fishing operations without impairment as the result of such Member's participation. A Member who allocates to the cooperative the amounts of non-pollock

ground fish and PSC associated with that Member's participation in the BS/AI inshore directed pollock fishery in 1995, 1996 and 1997 shall be deemed to have satisfied this provision.

c. Management Measures. Other than as provided by NMFS regulations, each Member's allocation of pollock, other groundfish species and crab shall be subject to all management measures generally applicable to the inshore sector directed pollock fishing allowance allocation and harvest of non-pollock groundfish and crab species by catcher vessels participating in shoreplant cooperatives (including but not limited to Steller sea lion seasonal apportionments and area harvest restrictions) on a discreet, individual basis; i.e., each Member shall be restricted to harvesting no greater percentage of such Member's allocation in any season or area than the aggregate percentage of the Allocation permitted to be harvested in such season or area. Each Member shall have the individual authority to carry over from season to season a percentage of that Member's seasonal apportionment for each species no greater than the carry-over percentage generally applicable to the Allocation.

The Members acknowledge that the Council has recommended that (i) vessels equal to or less than 99 feet in length overall be exempted from exclusion from the Catcher Vessel Operational Area, and (ii) certain Vessels be exempted from certain Groundfish Sideboards. Each Member's obligations under this Agreement shall be amended to give effect to these exemptions to the extent each Member is entitled to the benefit thereof; provided that, notwithstanding the provisions of 50 C.F.R. 679.63, no Member's Vessel shall be exempt from the Gulf Groundfish Sideboards in any given year if during that year other vessels are permitted to harvest any portion of the exempt Member's aggregate BS/AI pollock allocation made under this Agreement for such year in connection with such Vessel's catch history, unless and until the Council specifically recommends otherwise. (The intent being that for a catcher vessel to take advantage of the Gulf Groundfish Sideboard exemption, that catcher vessel cannot lease its BS/AI pollock quota share in the year in which the catcher vessel receives the benefit of the exemption.) To facilitate compliance with this provision, a Member shall inform the Board of Directors of the Cooperative in writing prior to January 20 of the relevant year that such Member intends to operate one or more of its Vessels under the Gulf Groundfish Sideboard exemption.

d. Prohibited Species Catch Allocations. The Members acknowledge that prohibited species catch ("PSC") apportionments for the fisheries in which the Members participate are intended to be managed as aggregate caps across the inshore sector. The Members agree to conduct their vessel's fishing activities such that the Cooperative remains in compliance with such PSC apportionments. The Members acknowledge that a failure to do so could result in direct, foreseeable adverse consequences for the Cooperative and its Members. In circumstances where it is necessary or appropriate for PSC apportionments to be allocated (or otherwise regulated) on a vessel-by-vessel basis, the Board of Directors shall have the authority to do so. If it does so, the Board shall exercise reasonable efforts to insure such apportionments are made in a manner that will allow each Member, to the maximum reasonable extent possible, to prosecute pollock and non-pollock groundfish fisheries at a level equal to the Member's average harvest level during the Period. The Board shall have authority to direct a Member to stop fishing if its Vessel(s) exceed apportionments or rates established by the Board of Directors. Further, the Board shall have authority to obtain an injunction restraining a Member's fishing activity, if a Member fails to comply with a "stop fishing" directive from the Board.

e. Annual Fishing Plan. The Board of Directors shall prepare an annual fishing plan covering the directed fisheries in which the Members are eligible to participate. In preparing the annual Fishing Plan the Board of Directors shall schedule meetings of the Members to develop plans for the Members' inshore directed fisheries in the following year, with the goal being to maximize the value of the Members' participation in these fisheries and at the same time to foster cooperation within the Cooperative and Alyeska to achieve those ends. The Cooperative Board of Directors shall have the authority to amend the Fishery Plan from time to time. The Fishing Plan shall not dictate any terms or conditions under which Members sell their catch.

f. Agent. The Members appoint Alaska Boat Company, a division of Wards Cove Packing Company, or such other person or organization as may be designated by the Board of Directors as agent for the purpose of collecting dues, paying expenses and salaries and holding the retainage pursuant to Section 5.(b)(iii).

g. Acquisition or Transfer of Harvesting Allocation. Notwithstanding the provisions of Section 3.a. and 3.c. above, and subject to limits imposed by law, each Member shall have the right to transfer some or all of such Member's pollock and other groundfish allocation(s) to one or more other Members on any terms such Members may agree upon. Members doing so shall notify the Cooperative, Alyeska and the independent quota monitoring service as the Cooperative may retain from time to time (the "Monitoring Service") in writing within seven (7) days, and in any case, prior to the harvest of any portion of a transferred allocation.

h. Distribution of Open Market Percentage. The Members acknowledge that under the Act up to ten percent (10%) of the Allocation may be delivered to any duly qualified BS/AI shoreside pollock processor. The Members have agreed that the Cooperative is not authorized to act as a marketing agent on their behalf. Therefore, the Members and the Cooperative hereby agree that each Member shall have the right to deliver up to ten percent (10%) of such Member's Harvest Schedule percentage to any duly qualified BS/AI shoreside pollock processor(s), on such terms and conditions as the Member or its duly qualified marketing agent and such processor(s) may agree.

4. Catch Monitoring. To enable each Member and the Cooperative to monitor other Members' compliance with the Act and this Agreement, each Member hereby agrees to carry the number and type of NMFS-certified observers required by law aboard each of its Vessels participating in the BS/AI and Gulf fisheries during the term of this Agreement, and to report each Vessel's catch on a delivery-by-delivery basis to both the NMFS Observer Program and the Monitoring Service (regardless of whether such catch is delivered to the Plant). Each Member agrees that absent manifest error, the catch data produced for the Cooperative by the Monitoring Service shall be presumed accurate, and that each Member's obligations under this Agreement and all related documents may be enforced to their fullest extent on the basis of such data.

5. Allocation Enforcement. Each Member acknowledges and agrees that the benefits associated with this Membership Agreement will only accrue to the Members if each of them strictly complies with the Harvest Schedule and the non-pollock groundfish allocations and PSC limits determined in accordance with Section 3, above. Each Member acknowledges that all

other Members will be taking certain significant operational and financial actions based on this Agreement, and that a breach of this Agreement by any Member would have significant adverse consequences. Therefore, to facilitate enforcement of this Agreement, each Member agrees to the procedure set forth in this Section 5.

a. Forfeiture Amount Calculation. The Cooperative Board of Directors shall annually set a forfeiture amount for an unprocessed metric ton of each species covered by this Agreement, including but not limited to pollock and non-pollock groundfish, and may from time to time set forfeiture amounts per kilogram of halibut PSC, per crab for crab PSC, per salmon for salmon PSC, and per metric ton for herring PSC. (the "Forfeiture Amounts"). Such groundfish forfeiture amounts shall be equal to or exceed the ex vessel market value of relevant species and shall be adjusted as necessary (including during a fishing year) to insure such amounts exceed such values.

b. Reserves, Security, and Retention of Proceeds.

(i) Reserves. Each Member hereby agrees that the Board of Directors may establish a Cooperative reserve of pollock, non-pollock groundfish and/or PSCs, which shall be deducted from the Cooperative's aggregate allocation(s) before such allocation(s) are distributed among the Members, and which shall (if established) be used as a "buffer" to insure the Cooperative remains in compliance with its allocation limits, provided that the pollock reserve shall not exceed five percent (5%) of the Allocation. The Board shall exercise reasonable efforts to insure such reserves (if established) are fully harvested within the relevant, season such that each Member receives a financial benefit from harvesting the reserves in proportion (to the extent possible) to such Member's allocation(s) under the Agreement.

(ii) Security. Subject to approval by lenders or creditors holding a right of such approval as of the effective date of this Agreement, each Member hereby grants to the Cooperative a security interest in its annual pollock harvest allocation and to its catch under all non-pollock species caps, and all products and proceeds thereof (together, the "Collateral") as security for damages resulting from overharvest of such Member's Harvest Schedule percentage. If requested to do so by the Board of Directors, each Member shall execute UCC-1 financing statements and take whatever action is necessary for the Cooperative to perfect and maintain a perfected security interest in the Collateral.

(iii) Retention of Proceeds. To facilitate enforcement of this Agreement, each Member hereby authorizes Alyeska to transfer to the Agent an amount equal to five percent (5%) of the proceeds related to such Member's deliveries to the Plant (the "Retained Proceeds"). Each Member further authorizes the Agent to pay out such proceeds as the Board of Directors of the Cooperative directs to give effect to this Agreement. Each Member hereby releases Alyeska and the Agent from all claims related to such withholding and payment, other than those arising out of gross negligence or willful misconduct by Alyeska or the Agent and agrees that in the event that a Member disputes a payout of such proceeds by the Agent such Member's sole recourse shall be against the Cooperative. The Board of Directors shall exercise reasonable efforts to have such funds distributed to the Members as soon as reasonably possible following the close of the season in connection with which such funds are withheld.

c. Restrictions on Fishing Activity. The Members acknowledge and agree that one or more Members exceeding their Harvest Schedule allocations, their non-pollock groundfish caps or cap proportions, or the applicable PSC limits could subject the Cooperative and its other Members to joint and several liability to NMFS for fishing violations, and to other cooperatives and cooperative members as a result of premature fishery closures. The Members further acknowledge and agree that monetary penalties could be inadequate recourse under such circumstances. Therefore, the Members acknowledge and agree that each of them will comply with a "stop fishing" order from the Cooperative, and each of the Members further agree that if any Member fails to comply with such order, the Cooperative shall have the authority to obtain an injunction, restraining order or other equivalent form of equitable relief to give effect to such "stop fishing" order.

d. Overharvest Forfeiture. Following the close of the BS/AI and Gulf trawl fisheries to the inshore sector, the Cooperative Board of Directors shall review the seasonal harvest data from the Monitoring Service, and report to the Members concerning the Members' compliance with the harvest allocations made under this Agreement. Upon the Cooperative Board of Directors determining that a Member harvested in excess of that Member's percentage, the Cooperative shall collect from such Member and distribute as appropriate an amount equal to the Forfeiture Amount multiplied by the number of metric tons by which such Member's harvest exceeded that Member's groundfish allocation.

e. Voluntary Compliance. The Members and the Cooperative agree that upon the Cooperative's Board of Directors determining that a Member has overharvested any of its allocations, the Cooperative shall not enforce its rights to collect against an overharvesting Member's Retained Proceeds of Collateral without first providing the overharvesting Member with fifteen (15) days advance notice of its intent to exercise its rights of collection, during which period the Member may request reconsideration of the enforcement action or may propose an alternative method of compensating the remaining Members and the Cooperative. The Board of Directors may grant or deny any request for reconsideration and may approve or disapprove any alternative form of compensation in their sole discretion, provided that in no case where there has been an overharvest shall the penalty be less than the market value of the overharvest.

f. Enforcement. Each Member agrees to take all actions and execute all documents necessary or convenient to give effect to the enforcement procedure contemplated under this Section 5. Each Member agrees that the Cooperative shall be entitled to actual damages in addition to the forfeiture amount (to the extent that they exceed the forfeited amount). Each overharvesting Member against whom an enforcement action is brought shall pay all costs, fees and expenses, including attorneys fees, incurred by the Cooperative in enforcing the provisions of this Section 5.

g. Distribution of Proceeds and Damages. All funds forfeited or awarded to Members and or the Cooperative under this provision in excess of the costs of enforcement shall be distributed pro-rata among the Members who harvested less than their allocation of the relevant species, with each Member receiving a fraction of such funds the numerator of which is the amount

by which such Member's catch of the relevant species was less than such Member's allocation, and the denominator of which is the sum of all Members' catch shortfalls.

6. Vessel Transfer Restrictions. Each Member acknowledges that the other Members will make investments in reliance on this Agreement, and that a breach of this Agreement during its term by any of them may cause the remaining Members to suffer substantial adverse economic consequences. Therefore, each Member agrees that so long as they remain a Member, no Member shall have the authority to sell, charter or transfer operating authority over a Vessel to a party not bound by this Agreement, regardless of whether such transfer is temporary or permanent, and regardless of whether such transfer is effected as part of a vessel sale or otherwise, unless (i) the proposed transferee first assumes all of the transferring Member's obligations under this Agreement with regard to the rights transferred, in which case, the transferring Member shall be released therefrom, or (ii) the transferring Member either retains the Vessel's BS/AI fishing rights, or transfers such rights to the Cooperative or another Member of the Cooperative. All Members agree to negotiate in good faith to create a reasonable mechanism to prevent any transfer in violation of this Section. Any attempted or purported transfer of a Vessel or its fishing rights other than in compliance with this Section shall be void.

7. Term, Termination and Withdrawal. This Agreement shall take effect as of its execution by all Members. The Board of Directors of the Cooperative may terminate this Agreement upon a determination by any government agency of competent jurisdiction or a reasonable determination by the Cooperative Board of Directors that this Agreement violates either State or Federal antitrust or unfair competition law, or unreasonably exposes any Member or the Cooperative to civil anti-trust or unfair competition litigation.

If not terminated earlier, this Agreement shall terminate upon termination of the inshore sector allocation specified in Section 206(b) of the Act.

Any Member may withdraw from the Cooperative as of November 1 of any year during the term of this Agreement, provided that such Member gives written notice of withdrawal to each Director on the Cooperative's Board of Directors prior to October 1 of such year. Withdrawal from or termination of this Agreement shall not relieve any Member of its obligations to pay the damages set forth in Section 5 in connection with a pre-termination overharvest.

8. Landing Tax. Pursuant to Section 210(f) of the Act, the Members agree to make payments to the State of Alaska for any pollock harvested in the BS/AI pollock fishery which is not landed in the State of Alaska, in amounts which would otherwise accrue had the pollock been landed in the State of Alaska subject to any landing taxes established under Alaska law. If a Member fails to make a payment in lieu of tax due under this Section, the Cooperative or any of the other Members may make such payment, and the non-paying Member shall be obligated to reimburse the paying parties within thirty (30) days. Any balance outstanding beyond such date shall bear interest in favor of the paying parties at the per annum rate equal to the prime rate of Bank of America, N.A., Seattle Branch, as the same may be announced from time to time, plus five percent (5%). Payments and interest due under this Section may be collected or reimbursed from the defaulting Member's bond or alternate security pursuant to Section 5, hereof

9. Responsible Fishing Practices. The Members acknowledge that a primary objective of the Cooperative is to utilize bycatch in a responsible fashion and improve resource utilization. The Members further acknowledge that fishing practices can affect bycatch and utilization rates. The Members therefore agree to exercise all reasonable efforts to conduct their fishing practices responsibly, in a manner consistent with the overall goals and purposes of the Cooperative.

10. Promoting Competition. To promote market competition for products produced from pollock harvested under this Agreement and to promote compliance with federal antitrust law, it is agreed by the members that (i) the Cooperative shall have no function to process, market or sell product; (ii) the members of the Cooperative shall each engage in processing, marketing, and sales of product only on a fully independent basis; (iii) the Cooperative shall hold no meetings nor conduct any discussions on purchase or sales of product, or pricing; and (iv) the Cooperative shall not collect or distribute any information on pricing, processing, marketing or sales. Members and Members skippers are permitted to engage in processing, marketing and sales of their products through a duly qualified fishermen's marketing association.

11. Public Interest Research and Publication. The Members acknowledge that the primary purposes of the harvesting arrangement contemplated hereunder are improving their utilization of resources harvested in the BS/AI pollock fisheries, reducing the incidental catch of non-target species, and promoting the adoption and continued support of resource utilization and conservation arrangements such as those contemplated under this Agreement. The Members therefore agree to contribute a per-ton amount determined by the Cooperative Board of Directors from time to time in support of such activities. All research and publication funded by the Cooperative is to be conducted in the public's interest, and the results of all such research shall be made available to the general public at no charge.

12. Membership Agreement Enforcement. Each Member agrees that the Cooperative and/or any other Member(s) may enforce this Membership Agreement on behalf of the Cooperative and/or any of its Members.

13. Remedies and Attorneys' Fees. In addition to any of the remedies provided in this Agreement, each Member and the Cooperative shall have the right to have any provision of this Agreement specifically enforced through injunction, restraining order or any other form of equitable relief including but not limited to specific performance. Subject to the provisions of Sections 3 and 5, above, in connection with any legal proceeding related to this Agreement, the non-prevailing party shall pay the prevailing party's reasonable costs and fees associated with the proceeding. For purposes of this Agreement, "legal proceedings" shall include arbitration, administrative, bankruptcy and judicial proceedings, including appeals therefrom.

14. Miscellaneous.

a. This Agreement contains the entire understanding of the parties as to the matters addressed herein, and supersedes all prior agreements related to the same. No amendment to this Agreement shall be effective against a party hereto unless in writing and duly

executed by such party. The Members agree to amend this Agreement as reasonably necessary to comply with changes in law, and policies and regulations implementing the Act.

b. Each Member hereby represents and warrants that: (i) it is duly organized, validly existing and in good standing; (ii) it is an owner of record of each of the Vessels listed as such Member's Vessel(s) on Exhibit A hereto; and (iii) it has all authority, corporate and otherwise, to enter into this Agreement on its own behalf and on behalf of all other owners of each of the Vessels it represents, and that this Agreement constitutes a valid, binding obligation of all such owners, enforceable against such Vessel(s) and all such owners according to its term.

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

d. 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.

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

f. All notices required to be given under this Agreement shall be deemed given when deposited in certified first class U.S. mail, postage prepaid, with the correct address. All notices required to be given to Cooperative directors or members under this Agreement shall be addressed to such directors or members at their record addresses as maintained by the Cooperative.

The initial addresses of the Members and the Cooperative are as follows:

Alaska Rose L.P. – for vessel ALASKA ROSE
88 East Hamlin Street, Seattle, WA 98105

Bering Rose L.P. – for vessel BERING ROSE
88 East Hamlin Street, Seattle, WA 98105

F/V Destination Limited Partnership –for vessel DESTINATION
88 East Hamlin Street, Seattle,WA 98105

Great Pacific Limited Partnership – for vessel GREAT PACIFIC

88 East Hamlin Street, Seattle, WA 98105

Morning Star, LP – for vessel MORNING STAR
127 3rd Avenue, Suite 601, Kirkland, WA 98033-6177

Rondys, Inc. and Seamate, Inc. – for vessel PROGRESS
5349 229th Avenue S.E., Issaquah, WA 98029

Futura Fisheries, Inc. (for itself and King & Winge, Inc.) – for vessel VANGUARD
P.O. Box 37, Kodiak, Alaska 99615

F/V Western Dawn, LLC – for vessel WESTERN DAWN
12711 8th N.W., Seattle, WA 98177

Kendrick Bay L.P. – for vessel SEA WOLF
88 East Hamlin Street, Seattle, WA 98105

Wards Cove Packing Company – for vessel MS AMY
88 East Hamlin Street, Seattle, WA 98105

Wards Cove Packing Company – for vessel MESSIAH
88 East Hamlin Street, Seattle, WA 98105

Cooperative Address:
88 East Hamlin Street, Seattle, WA 98105

The parties may from time to time change their address for notice purposes by written notice to the Cooperative.

g. Except for the transfer of any rights pursuant to Section 3.g or Section 6 hereof, which transfers shall be governed by such Sections, no party may assign its rights hereunder without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld. Such consent may be conditioned upon execution of an adherence agreement by the party to whom such rights are proposed to be assigned. This Agreement shall be binding on the successors and assigns of all parties hereto.

h. This Agreement shall be construed as a whole according to its fair meaning, without a presumption that it shall be more strictly construed against the person who drafted it, as each party has participated in its preparation with the assistance of counsel.

i. 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.

j. Each Member agrees to use its best efforts to resolve any disputes arising under this Agreement either through direct negotiations or through any dispute resolution procedures as set out in the Bylaws. Other than disputes related to overharvest of pollock, non-pollock groundfish or PSCs for which the Cooperative or its Members seek an injunction, a restraining order or some other form of equitable relief, all disputes not resolved through direct negotiation and/or dispute resolution will be submitted to arbitration in Seattle, Washington upon the request of any party. 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 Member or the Cooperative. 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 11 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.

Dated as of the date first set forth above.

APPROVED:

Alaska Rose L.P.

By: Hande Rose Packing Co., *Robert H. Munkle, president*

Bering Rose L.P.

By: Hande Rose Packing Co., *Robert H. Munkle, president*

F/V Destination Limited Partnership

By: [Signature]

Great Pacific Limited Partnership

By: Wards Cove Packing Co., General Partner, Chris H. Hurd, President

Morning Star, LP

By: David G. Standfield, Manager

Rondys, Inc. and Seamate, Inc.

By: M. E. Hall

Futura Fisheries, Inc.

By: [Signature]

F/V Western Dawn, LLC

By: [Signature]

Kendrick Bay LP

By: Wards Cove Packing Co., General Partner, Chris H. Hurd, President

Wards Cove Packing Company

By: Chris H. Hurd, President

Wards Cove Packing Company

By: *Alec H. Smith, President*

EXHIBIT A

ALYESKA FLEET COOPERATIVE

**BERING SEA/ALEUTIAN ISLANDS POLLOCK FISHERY
HARVEST SCHEDULE**

MEMBER	VESSEL	PERCENTAGE OF "ALLOCATION" Subject to Confirmation
ALASKA ROSE L.P.	ALASKA ROSE	13.331%
BERING ROSE L.P.	BERING ROSE	14.666%
F/V DESTINATION Limited Partnership	DESTINATION	17.593%
GREAT PACIFIC Limited partnership	GREAT PACIFIC	9.768%
Wards Cove Packing Company	MS. AMY	4.367%
Wards Cove Packing Company	MESSIAH	2.367%
MORNING STAR, LP	MORNING STAR	13.436%
Rondys, Inc. and Seamate, Inc.	PROGRESS	9.320%
Futura Fisheries, Inc. and King & Winge, Inc.	VANGUARD	.038%
FV Western Dawn LLC.	WESTERN DAWN	3.088%
Kendrick Bay L.P.	SEA WOLF	12.027%

Scheduled Replac-
11/29/01 for 2002
10/30/09 for 2000
10/27/10 for 2011

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RESOLUTION OF DIRECTORS

UNALASKA FLEET CO-OPERATIVE

The Directors of Unalaska Fleet Co-Operative, as representatives of each owner or each below listed vessel, do hereby consent to the continuation of the Unalaska Fleet Co-Operative into the year 2002, and agree to the attached Harvest Schedule replacing Exhibit A of the original Membership Agreement signed and dated December 16, 1999.

Unalaska Fleet Co-operative – best 2 out of 3 years

Vessel	1995	1996	1997	Best 2 of 3	% of Coop
ALASKA ROSE	7,267	7,473		14,740	13.809%
BERING ROSE	7,974	7,119		15,093	14.140%
DESTINATION	10,685		8,165	18,850	17.660%
GREAT PACIFIC	5,507	5,317		10,824	10.141%
MESSIAH	953		1,053	2,006	1.879%
MORNING STAR	7,706	7,162		14,868	13.929%
MS AMY	2,542	1,733		4,275	4.005%
PROGRESS		4,738	4,121	8,859	8.300%
SEA WOLF	7,334	5,936		13,270	12.432%
VANGUARD	127		367	494	0.463%
WESTERN DAWN	2,611	849		3,460	3.242%
TOTALS				106,739	100.00%
NMFS				106,737	

Arden W. Williams
 ALASKA ROSE LP
 BERING ROSE LP
 GREAT PACIFIC LP
 KENDRICK BAY LP (SEA WOLF)
 F/V MS AMY & MESSIAH LP

David A. Stanchfield
 MORNING STAR LP
 Manager

M. E. Hall
 PROGRESS LP

M. E. Hall
 VANGUARD LP

[Signature]
 DESTINATION LP

[Signature]
 F/V WESTERN DAWN L.P.C.

Dated 11/29/01

*Replaced
 10/30/09 for 2010
 10/27/10 Rev 2011*

KAT/lw

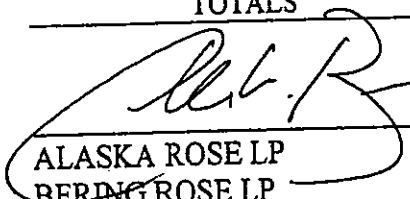
RESOLUTION OF DIRECTORS

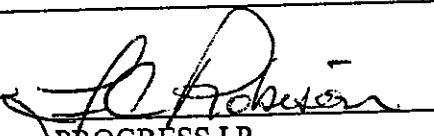
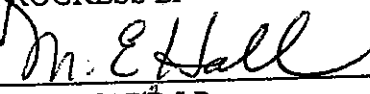
UNALASKA FLEET CO-OPERATIVE

The Directors of Unalaska Fleet Co-Operative, as representatives of each owner or each below listed vessel, do hereby consent to the continuation of the Unalaska Fleet Co-Operative into the year 2010, and agree to the attached Harvest Schedule replacing Exhibit A of the original Membership Agreement signed and dated December 16, 1999.

Unalaska Fleet Co-operative - best 2 out of 3 years

Vessel	1995	1996	1997	Best 2 of 3	% of Coop
ALASKA ROSE	7,267	7,473		14,740	16.044%
BERING ROSE	7,974	7,119		15,093	16.428%
DESTINATION	10,685		8,165	18,850	20.518%
GREAT PACIFIC	5,507	5,317		10,824	11.782%
MESSIAH	953		1,053	2,006	2.183%
MS AMY	2,542	1,733		4,275	4.653%
PROGRESS		4,738	4,121	8,859	9.643%
SEA WOLF	7,334	5,936		13,270	14.444%
VANGUARD	127		367	494	0.538%
WESTERN DAWN	2,611	849		3,460	3.767%
TOTALS				91,871	100.00%


 ALASKA ROSE LP
 BERING ROSE LP
 GREAT PACIFIC LP
 KENDRICK BAY LP (SEA WOLF)
 F/V MS AMY & MESSIAH LP


 PROGRESS LP

 VANGUARD LP


 WESTERN DAWN LC


 DESTINATION LP

Dated

KAT/lw

*Replaced
 10/27/10 for 2011*

10/30/09

UNALASKA FLEET COOPERATIVE
MEMBERSHIP AGREEMENT VRHS ADDENDUM

This MEMBERSHIP AGREEMENT ADDENDUM is entered into by and among the members of the Unalaska Fleet Cooperative as reflected on the signature page(s) attached hereto (the "Members") and the Unalaska Fleet Cooperative (the "Cooperative") as of January 15, 2006, with reference to the following facts:

RECITALS

A. The Members employ fishing vessels in the Bering Sea ("BS") directed pollock fishery (the "Fishery") and may from time to time harvest Bering Sea Community Development Quota ("CDQ") pollock as well. The Members' vessels catch salmon incidentally in connection with their pollock fishing activity. The incidental catch of salmon in the Fishery is a matter of concern for Western Alaskans, who depend on salmon for subsistence and commercial fishing income.

B. In response to Western Alaskan's concerns regarding salmon bycatch in the Fishery, in 1995 (chum salmon) and in 2000 (Chinook salmon) the North Pacific Fishery Management Council (the "Council") adopted and the National Marine Fisheries Service ("NMFS") implemented certain regulatory Chinook and chum salmon savings areas (the "Salmon Savings Areas"), which are closed to pollock fishing for specific periods of time and/or upon salmon bycatch in the Fishery reaching certain regulatory trigger amounts.

C. In further response to Western Alaskan's concerns and in response to the Council's adoption of regulatory Salmon Savings Areas, in 2001 the Pollock Conservation Cooperative and the nine catcher vessel pollock harvesting cooperatives, being all of the BS pollock harvesting cooperatives (together, the "Cooperatives") implemented a "voluntary rolling hot spot" (or "VRHS") salmon savings area closure system, under which certain areas with elevated salmon bycatch rates are closed to fishing by certain Cooperatives for certain periods of time through an inter-cooperative contract. The most current version of such inter-cooperative contract is the "Salmon Bycatch Management Agreement for the 2006-2008 Bering Sea Pollock Fishery", entered into by and among the Cooperatives and certain third parties as of January 15, 2006 (the "Agreement").

D. At the time they were adopted, the regulatory Salmon Savings Areas were locations where the Fishery had historically experienced elevated salmon bycatch rates. However, in recent years, salmon bycatch patterns have changed, and salmon bycatch rates in the Salmon Savings Areas have frequently been lower than the salmon bycatch rates experienced outside of such areas. Under these circumstances, the regulatory Salmon Savings Areas have been counter-productive. On the other hand, the VRHS system closures are modified at least once a week in response to current bycatch information, rather than being based on historical salmon bycatch patterns. Therefore, the VRHS system has remained effective through variations in salmon bycatch patterns.

E. In response to these circumstances, the Council has adopted a policy that, when implemented by NMFS, will exempt Cooperative Members' vessels participating in the VRHS system from closures of the regulatory Salmon Savings Areas. In addition to providing the Cooperative's Members with enhanced capability to reduce their vessels' salmon bycatch amounts, the Salmon Savings Area exemption could substantially reduce the Members' vessel operating costs. However, the VRHS system's effectiveness depends on contract enforcement action being taken against vessels that violate VRHS closures, or fail to take other specified actions necessary to maintain the effectiveness of the VRHS system.

F. The Cooperative and the Members have concluded that the benefits associated with implementing and enforcing the VRHS system, and thereby attaining an exemption from the regulatory Salmon Savings Areas, are of sufficient consideration to support adoption of certain amendments to the Cooperative's Membership Agreement that will promote the effectiveness of the VRHS system.

Now, therefore, the parties agree as follows:

AGREEMENT

1. Effect of This Addendum Agreement. This Membership Agreement Addendum supplements, amends and supercedes Unalaska Fleet Cooperative Membership Agreement dated as of December 16, 1999 (the "Membership Agreement"). The terms of this Addendum shall prevail over any inconsistent terms of the Membership Agreement.

2. Effect of Agreement. Each Member hereby acknowledges that its vessel(s) operations are governed by the Agreement. Each Member acknowledges that it has received a copy of the Agreement, and is familiar with its terms. Each Member agrees to cause such Member's vessels to comply with the terms and conditions of the Agreement, as they may apply to such Member as a member of the Cooperative or to such Member directly. Each Member agrees that this Addendum and the Membership Agreement shall be construed together to give the Agreement full force and effect in accordance with its terms.

3. Implementation of Agreement. Each Member acknowledges that the Cooperative must take certain actions from time to time to give effect to the Agreement and to obtain the benefit of the VRHS participant exemption from the regulatory Salmon Savings Area closures, and hereby authorizes the Cooperative's Board of Directors to take all such actions and execute all such documents that Cooperative's Board of Directors reasonably deems necessary for such purposes.

4. Enforcement of Agreement. Each Member hereby authorizes the Cooperative Board of Directors to take any and all actions reasonably necessary to enforce the Agreement in accordance with its terms. Each Member hereby agrees that if the Cooperative Board of Directors fails to take the action(s) necessary to enforce the Agreement within sixty (60) days of receiving notice from Sea State that a Member may have failed to comply with the Agreement, or that the actions of a Member may have resulted in the Cooperative failing to comply with the Agreement, then each of Aleutian Pribilof Island Community Development Association ("APICDA"), Bristol Bay Economic Development Corporation ("BBEDC"), Central Bering Sea Fishermen's Association ("CBSFA"), Coastal Villages Region Fund ("CVRF"), Norton Sound Economic Development Corporation ("NSEDC") and Yukon Delta Fisheries Development Association ("YDFDA") (together, the "CDQ Groups"), and Association of Village Council Presidents ("AVCP"), Bering Sea Fishermen's Association ("BSFA"), Tanana Chief's Conference ("TCC") and Yukon River Drainage Fishermen's Association ("YRDFA"), all of which are Alaska non-profit corporations, may individually or collectively take action to enforce the Agreement.

5. Maintenance of an Approved and Operational Vessel Monitoring System. Each Member shall at all times maintain an operational vessel monitoring system ("VMS") unit approved by Sea State, Inc. ("Sea State") on its vessel at all times that its vessel(s) participate in the Fishery, provided such VMS unit is available on a commercially reasonable basis. Each Member agrees to cause its vessel's VMS tracking data to be released to Sea State on a basis that enables Sea State to determine whether such Member's vessel(s) have operated in compliance with the Agreement. Each 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 the Agreement, and agrees that in the event Sea State concludes that its vessel may have violated a VRHS closure, Sea State may release such data as Sea State in its sole discretion determines appropriate to facilitate enforcement of the Agreement.

6. Records Presumed Accurate for Determining Compliance. Each member agrees that the information contained in the records identified in Section 5, above, shall be presumed accurate absent a clear and compelling demonstration of manifest error, and shall be presumed sufficient to determine its compliance with the terms and conditions of the Agreement.

7. Violation of Agreement. **Each Member agrees that each trawl tow during which the Member's vessel fishes in a VRHS salmon savings area in violation of the Agreement shall constitute a separate violation of the Agreement for purposes of assessment calculation.** Each Member acknowledges and agrees that damages for violation of the Agreement shall accrue on a strict liability basis, regardless of a Member's lack of knowledge of the violation or lack of intent to violate the Agreement.

8. Liquidated Damages Calculation and Adjustment. Each Member agrees that the damages resulting from a violation of the Agreement would be difficult if not impossible to estimate, and that the assessment amounts provided under the Agreement

are therefore intended to be a substitute in all cases for direct, indirect and consequential damages. **Each Member acknowledges and agrees to the following assessments as liquidated damages in connection with the specified violation of the Agreement:**

- **VRHS savings area closure violations**
 - **first violation – Ten Thousand Dollars (\$10,000.00)**
 - **second violation – Fifteen Thousand Dollars (\$15,000.00)**
 - **third and subsequent violations in any fishing year – Twenty Thousand Dollars (\$20,000.00)**

- **Failure to maintain an approved operational VMS unit aboard a Member's vessel while the vessel is employed in the Fishery – One Thousand Dollars (\$1,000.00) per day, for each consecutive day over thirty (30) days, on the condition that such VMS unit is available on a commercially reasonable basis.**

Each Member agrees that the Cooperative's Board of Directors may modify the foregoing assessment amounts from time to time, as the Board of Directors determines necessary to maintain VRHS system effectiveness.

9. **Liquidated Damages Assessment.** **Each Member agrees to provide in its contract with each master of each Member's vessel that such master shall be obligated to pay the full amount of all assessments levied in connection with any and all VRHS savings area violations, with no right of reimbursement or indemnification whatsoever.** Further, each Member agrees that in the event a master of such Member's vessel fails to perform any such obligation when it becomes due, or in the event the assumption of any such obligation by the vessel's master is deemed invalid, the related Member shall be liable for the full amount of such assessment, together with all related costs and attorneys' fees.

10. **Attorneys Fees.** Each Member agrees 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.

11. **Injunctive Relief.** Each Member agrees that in addition to legal remedies, the Cooperative's Board of Directors, each of the CDQ groups, and BSFA and YRDFA shall be entitled to injunctive relief in connection with the second and subsequent violations of this Agreement.

12. **Release and Waiver of All Claims Against SeaState and United Catcher Boats; Indemnification and Hold Harmless.** The Members acknowledge that the effectiveness of the Agreement depends to a significant extent on the discretion and judgment exercised by principals and employees of Sea State and United Catcher Boats Association ("UCB") in designating and defining VRHS system savings areas, determining each Cooperative's salmon bycatch tier status, monitoring compliance with VRHS system savings area closures, and initiating and supporting enforcement actions

under circumstances where a Cooperative member appears to have violated this Agreement. The Members 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 Members' interest to limit Sea State's and UCB's potential liability under this Agreement. **Therefore, each Member hereby waives and releases 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 the Agreement, other than those arising out of gross negligence or willful misconduct by Sea State or UCB.**

13. **Term and Termination.** This Addendum shall take effect as of January 20, 2006. The initial term of this Addendum shall extend through November 1, 2008. The term of this Addendum shall be automatically extended for an additional year as of each successive September 15 that the Agreement remains in effect, i.e., if the Agreement remains in effect as of September 15, 2006, the expiration date of this Addendum shall be extended to November 1, 2009, and so on. A Member may terminate its obligations under this Addendum by providing written notice to all other Members of the Cooperative, provided that the effective date of such Member's termination shall be the expiration date of this Addendum that is in effect at the time the termination notice is delivered. For example, if a Member properly provides its termination notice to all other Cooperative members on August 15, 2006, and if the Agreement remains in effect as of that date, such Member's termination shall not be effective until November 1, 2008. If a Member properly provides termination notice on October 1, 2006, and if the IC Agreement remains in effect as of that date, its termination shall not be effective until November 1, 2009. Notwithstanding any Member's termination of its obligations under this Addendum, this Addendum shall remain in full force and effect among all Members who have not terminated their obligations under this Addendum, and in any case, the enforcement provisions of Sections 7, 8 and 9 of this Addendum shall survive all such terminations with full force and effect.

14. **Miscellaneous.**

a. No amendment to this Addendum shall be effective against a party hereto unless in writing and duly executed by such party. The parties agree to amend this Addendum as reasonably necessary to maintain the effectiveness of this Addendum in response to changes in law or circumstances.

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

c. This Addendum 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 Addendum by telefacsimile shall have the same effect as delivering a signed original.

d. The parties agree to execute any further documents that may be necessary or convenient to give effect to the intents and purposes of this Addendum.

e. All notices required to be given under this Addendum 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 Addendum 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 Addendum within three (3) days of executing this Addendum.

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

g. Each Member agrees to use its best efforts to resolve any disputes arising under this Addendum through direct negotiations. Breaches of this Addendum 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 Addendum. 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 the Cooperative or any 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 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.

Resolution of Directors
of
Unalaska Fleet Cooperative

The Directors of the Unalaska Fleet Cooperative hereby adopt the Membership Agreement VRHS Addendum dated January 15, 2006 as a permanent addendum to the Unalaska Fleet Co-op Membership Agreement dated December 16, 1999.

Ken Tippett
Sea Wolf - Ken Tippett
Alternate - William Weisfeld

Tim Sawyer
Bering Rose - Tim Sawyer
Alternate - Ken Tippett

Jeff Hiest
Alaska Rose - Jeff Hiest
Alternate - Ken Tippett

Olav Austeberg
Destination - Olav Austeberg
Alternate - Ken Tippett

Steve Olsen
Western Dawn - Steve Olsen
Alternate - Thor Olsen

Karen Brindle
Ms Amy - Karen Brindle
Alternate - Ken Tippett

Alec Brindle, Jr.
Meariah - Alec Brindle, Jr.
Alternate - Ken Tippett

Ken Tippett
Great Falls - Ken Tippett
Alternate - Alec Brindle, Jr.

Vern Hall
Vanguard - Vern Hall
Alternate - Bonnie Robinson
Alternate - Margaret Hall

Bob DeLuz
Morning Star - Bob DeLuz
Alternate - Greg Shuey

Margaret Hall
Progress - Margaret Hall
Alternate - Bonnie Robinson
Alternate - Vern Hall