

CDQ Panel Rule

Adopted by the CDQ Panel/
Western Alaska Community Development Association (WACDA)

Resolution 2008-02 **Investments by CDQ Groups**

The WACDA Board of Directors intends for this Resolution to be a CDQ Panel Rule binding on each of the six CDQ Entities pursuant to the terms of the WACDA Membership Agreement and to the Magnuson-Stevens Fishery Conservation and Management Act. The preceding statement is required by section 2.A of the September 28, 2007 WACDA Membership Agreement.

The CDQ Panel/WACDA Board of Directors has conducted a review and determined that this CDQ Panel Rule is lawful in all aspects. The preceding determination is required by section 2.B of the September 28, 2007 WACDA Membership Agreement.

I. Findings:

Whereas, the Federal CDQ statute that governs the Western Alaska Community Development Quota (CDQ) Program (section 305(i)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) (16 U.S.C. 1855(i)(1) et seq.)) describes the “investments” that may be made by CDQ entities and requires an annual statement of compliance by each CDQ entity with respect to its “investments” (16 U.S.C. 1855(i)(1)(iii), (iv), and (v));

Whereas, the Federal CDQ statute requires a decennial review of each CDQ entity which may be in part based on the entity’s “investments” for the preceding ten-year period;

Whereas, the Federal CDQ statute does not define the term “investments”;

Whereas, the Federal CDQ statute requires the CDQ Panel/WACDA to “administer those aspects of the [CDQ] program not otherwise addressed by” the Federal CDQ statute and authorizes the CDQ Panel/WACDA to do so through private contractual arrangement (16 U.S.C. 1855(i)(1)(G)(iii)(I));

Whereas, on September 28, 2007, the six CDQ entities and CDQ Panel/WACDA entered into a WACDA Membership Agreement which establishes the process that the CDQ Panel/WACDA must follow in adopting any “requirements” pursuant to the Federal CDQ statute that are to be binding on the six CDQ entities;

Whereas, the Federal CDQ statute requires the six CDQ entities to “comply with...requirements established by” the CDQ Panel (16 U.S.C. 1855(i)(1)(E)(vi));

Whereas, the CDQ Panel has reviewed the CDQ investments requirements in the Federal CDQ statute and has determined that additional details are needed to provide clarity, avoid ambiguity, ensure consistency, and enable CDQ entities to reasonably comply with the investments requirements contained in the Federal statute;

II. Resolution/CDQ Panel Rule:

Now, therefore be it resolved that the CDQ Panel/WACDA Board of Directors hereby adopts the following CDQ Panel Rule which shall be binding on all six CDQ entities:

Investments by CDQ Entities

Section 1. Definition of “Investments”: For purposes of the Federal CDQ statute (16 U.S.C. 1855(i)(1) et seq.), the term “investments” shall mean “expenditures made with the objective of future financial returns, whether or not those endeavors yield gains or losses.”

Section 2. Definition of “Region”: For purposes of the Federal CDQ statute (16 U.S.C. 1855(i)(1) et seq.), the term “region” shall mean “the geographic area surrounding and including the member villages within 50 nautical miles of the baseline of the Bering Sea” consistent with the practices and understanding of the respective CDQ entities;

Section 3. Definition of “Fisheries-Related”: For purposes of the Federal CDQ statute (16 U.S.C. 1855(i)(1) et seq.), an investment shall be considered “fisheries-related” if it has a fisheries related purpose.

Section 4. Measurement of Other/Non-Fisheries Investments: The investments allowed under section 305(i)(1)(E)(iii) of the Federal CDQ statute (16 U.S.C. 1855(i)(1)(E)(iii)) shall not exceed 20 percent of the combined CDQ royalties and distributions from fisheries investments received by the CDQ entity.

Section 5. Decennial Review: It is the sense of the CDQ Panel/WACDA that compliance by the CDQ entities with the investments requirements of the Federal CDQ statute should be measured on a ten-year basis in conjunction with the CDQ decennial review and that there should be no penalties for non-compliance on an annual basis.

Section 6. Past Practices: For purposes of section 305(i)(1)(E)(iv) of the Federal CDQ statute (16 U.S.C. 1855(i)(1)(E)(iv)), an investment’s purpose shall be considered “consistent with the practices of the entity prior to March 1, 2006” if the type of investment was practiced by the entity prior to such date, practiced by any of the other entities prior to such date, or was otherwise allowed to be practiced by the entity prior to such date.

Section 7. Annual Statement of Investments Compliance: Each CDQ entity shall use a standard format in preparing its annual written statement required under section 305(i)(1)(E)(v) of the Federal CDQ statute (16 U.S.C. 1855(i)(1)(E)(v)) (its “Annual Statement of

Compliance”). The Annual Statement of Compliance must be submitted by not later than July 31 of each year.

Section 8. Compliance and Penalties. The Board of Directors and Chief Executive Officer of each CDQ Entity shall review each of its Annual Statements of Compliance to ensure compliance with this CDQ Panel Rule and with the relevant provisions of the Federal CDQ statute. Provided that its Annual Statement of Compliance is thereafter approved by its Board of Directors, signed by its Chief Executive Officer, and submitted as required under section 7 of this CDQ Panel Rule, the CDQ Entity shall have complied with this CDQ Panel Rule. Any penalties for non-compliance with this CDQ Panel Rule shall be limited to those allowed under section 7 of the September 28, 2007 WACDA Membership Agreement.

Section 9. Termination of Rule. This CDQ Panel Rule shall automatically terminate on the date that is two years after the effective date identified below (in accordance with section 5.A of the September 28, 2007 WACDA Membership Agreement).

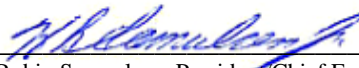
III. Adoption of Resolution

(1) First Approval: By signing below, the six members of the CDQ Panel/WACDA Board of Directors unanimously approve this Resolution as a Proposed CDQ Panel Rule and certify that the approval of this Resolution has occurred at a regular or special meeting of the WACDA Board of Directors and in accordance with all relevant provisions of the WACDA Bylaws.

Signed this Tenth day of June 2008,



Larry Cotter, Chief Executive Officer
Aleutian Pribilof Community Development Association



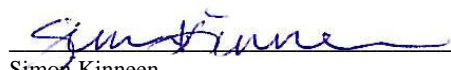
Robin Samuelsen, President/Chief Executive Officer
Bristol Bay Economic Development Corporation



Phillip Lestenkof, President
Central Bering Sea Fishermen's Association



Morgen Crow, Executive Director
Coastal Villages Region Fund



Simon Kinneen
Norton Sound Economic Development Corporation




William A. Charles
Yukon Delta Fisheries Development Association

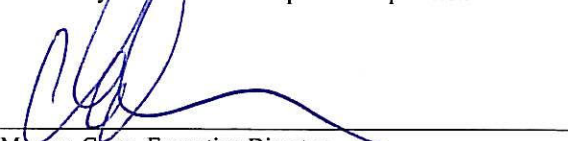
(2) Second Approval: By signing below, the six members of the CDQ Panel/WACDA Board of Directors unanimously approve this Resolution as a CDQ Panel Rule and certify that: (1) this second approval has occurred at least 30 days after the first approval above; and (2) that the second approval of this Resolution has occurred at a regular or special meeting of the WACDA Board of Directors and in accordance with all relevant provisions of the WACDA Bylaws.

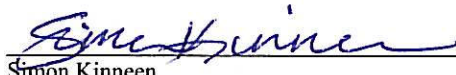
Signed and dated this Seventeenth day of September 2008,


Larry Cotter, Chief Executive Officer
Aleutian Pribilof Community Development Association


Robin Samuelsen, President/Chief Executive Officer
Bristol Bay Economic Development Corporation


Phillip Lestenkof, President
Central Bering Sea Fishermen's Association

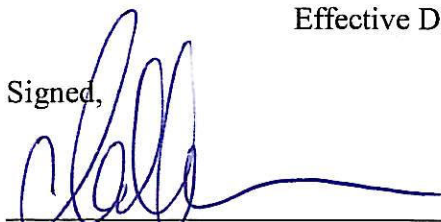

Morgen Crow, Executive Director
Coastal Villages Region Fund


Simon Kinneen
Norton Sound Economic Development Corporation


William A. Charles
Yukon Delta Fisheries Development Association

(3) Effective Date: By signing below, the WACDA President and Executive Director certify on behalf of WACDA that the requirements of section 2 of the September 28, 2007 WACDA Membership Agreement have been satisfied and that notice of this Resolution as approved for the second time, including a copy thereof, was sent by WACDA to each of the six CDQ entities and to the National Marine Fisheries Service on the following date which shall therefore be the effective date of this Resolution and CDQ Panel Rule:

Effective Date: 17 September 2008

Signed,

Morgen Crow, Chairman
Western Alaska Community Development Association


Wanetta Ayers, Executive Director
Western Alaska Community Development Association