

**Memorandum of Agreement Between The City of Craig, Alaska
And
The Prince of Wales Island Community Holding Company,
A Non-Profit Corporation**

This Memorandum of Agreement (MOA) is to outline administrative support provided by the City of Craig (hereinafter referred to as “City”) and the Prince of Wales Island Community Holding Company (hereinafter referred to as the “Corporation”). This MOA will outline City and Corporation responsibilities in administration and operation of the Community Quota Entity program authorized by the North Pacific Fishery Management Council and regulated by the National Marine Fisheries Service. This program will provide positive economic growth to the fishing community and the general economic health of Craig.

Background. Under the Community Quota Entity Program each Alaskan community eligible to participate in the program is required to specify an eligible non-profit corporation to purchase and manage halibut and sablefish Quota Shares and the resulting Individual Fishing Quota. Responsibilities for program management, reporting, data collection, lease negotiation, collecting lease payments, disbursing obligations, finding funding sources, negotiating grant or loan agreements, performing grant reporting and investing program revenue must be clearly assigned. It is not possible to ask a small volunteer board of directors to take on all of these responsibilities without support from the communities that the Corporation represents. It is in the best interest of the City and the Corporation to share these responsibilities to ensure successful management of this program.

Distribution of program responsibilities between the City and the Corporation.

The City and the Corporation hereby agree that the City shall be responsible for the following tasks, as they relate to the Quota Share held on behalf of the City, in execution of the Community Quota Entity Program. The City Administrator shall act as the agent of the City and ensure adequate City resources are provided to accomplish all of the following tasks:

1. Staffing. The City shall provide staffing for regular and special board of director meetings and public meetings as required by Corporation bylaws and staffing to conduct normal operations of the Corporation. Additional staffing shall be allowed as requested by the Corporation and directed by the City Administrator.
2. Reporting and Data Collection. The City shall provide staff to collect data necessary for annual reporting requirements. Data shall be gathered from lease agreements, quota allocation certificates and other such information which shall be provided by the Corporation sixty (60) days prior to report due dates. Reports shall be prepared by City staff for signature by Corporation Officers.
3. Finding Funding Sources. The City shall provide staff to find funding for the purchase of Quota Shares to be held on the City’s behalf. The City is responsible for completing all grant or loan applications; maintaining required reporting information; and completing applications and required forms for Corporation signature. The City shall perform all tasks necessary to meet funding requirements for grants where the City will act as an intermediary. Actions may include fund management, disbursement, auditing and other actions as required by the funding agencies.

4. Administrative support. The City shall provide miscellaneous office supplies, copy services, postage, meeting space and other administrative support necessary for successful operation of the Corporation.
5. Other tasks as mutually agreed upon by the Corporation and the City.

The Corporation and the City hereby agree that the Corporation shall be responsible for the following tasks, as they relate to the Quota Share held on behalf of the City, in execution of the Community Quota Entity Program:

1. Reporting and Data Collection. The Corporation shall collect and maintain data necessary for annual reporting requirements. The Corporation shall provide data to the City at least sixty (60) days prior to the report due dates. The Corporation shall maintain all other data necessary for State and Federal reporting for the Community Quota Entity program.
2. Purchasing Quota Shares. Using funds secured by the City, or on behalf of the City, the Corporation shall purchase Quota Shares on the open market. The Corporation shall be responsible to ensure that all documentation is complete and submitted to the National Marine Fisheries Service.
3. Distribution of Individual Fishing Quota. The Corporation shall be responsible for managing the Individual Fishing Quota Certificates issued as a result of held Quota Shares. The Corporation shall also be responsible to manage the lease of Individual Fishing Quota to Craig resident fishermen.
4. Management of Funds. The Corporation shall be responsible to manage funds provided for the purchase of Quota Share and funds resulting from leased Individual Fishing Quota. Funds shall be reinvested or used to pay corporate expenses. Funds shall not be used for other communities represented by the Corporation without the written consent of the City. The Corporation shall establish and maintain a bank account as necessary to conduct corporate business. The Corporation shall retain the services of an accountant/bookkeeper for any required financial reporting and accounting after the Corporation begins leasing IFQ. The Corporation shall pay for these services with proceeds from the IFQ leases. Audits shall be coordinated with City audits to the maximum extent practicable. The Corporation shall allow a financial review of all corporate accounts when requested by the City.

This memorandum shall be valid from January 1, 2005 until December 31, 2007. The City and the Corporation may amend this agreement and/or enter into other agreements.

Approved:

Jon Bolling, Craig City Administrator

Date

Don Pierce, Chairman,
Prince of Wales Island Community Holding Company

Date