

**BYLAWS  
OF  
Prince of Wales Island Community Holding Corporation**

**ARTICLES I  
OFFICES**

**Section 1: PRINCIPAL OFFICE.** The principal office of The Prince of Wales Community Holding Corporation, hereinafter entitled the Corporation, shall be in the City of Craig, Alaska, or such other place as designated by resolution of the Board of Directors of the Corporation.

**Section 2: OTHER OFFICES.** The Board of Directors may also elect to open other offices of the Corporation both within and without the State of to conduct the business of the Corporation.

**ARTICLE II  
MEMBERS**

**Section 1: RIGHTS.** The Corporation is formed to represent the rights of the Member Communities eligible to participate in the Community Quota Entity Program and other such programs or activities as are identified by the Corporation general membership or board of directors. The Corporation will be controlled by the Board of Directors. All Members shall have the same rights, privileges, restrictions and conditions. Initial membership of the Corporation will be limited to the City of Craig. Other communities whose geographic location is on or adjacent to Prince of Wales Island, Alaska and who have been identified as eligible Community Quota Entity communities by 50 CFR Part 679, Table 21 or that become eligible under the regulations of 50 CFR, Part 679 and is identified by the North Pacific Fishery Management Council are eligible to apply for membership. These currently include:

- a. City of Klawock
- b. City of Hydaburg
- c. City of Kasaan
- d. City of Coffman Cove
- e. City of Thorne Bay
- f. Hollis
- g. Whale Pass
- h. Edna Bay
- i. Point Baker
- j. Port Protection

General Membership consists of the elected members of the governing body of the represented communities. Membership interests in the Corporation are not transferable. Eligible communities may apply to the Corporation Board of Directors to become members at any time by presenting a resolution and a business plan clearly outlining the community's fiscal strategy to acquire halibut or sablefish Quota Shares within the first twelve months of membership. The resolution and business plan must be approved by the governing body of the community seeking membership and presented to the

Corporation Board of Directors. The community seeking membership must publish a notice inviting public comment in a newspaper of local circulation for three consecutive weeks prior to a vote by the Corporation Board of Directors. All public comments should be directed to the Corporation Board of Directors for their consideration. After the public notice requirement has been met the Board of Directors may vote on submitted membership applications at any regular or special meeting of the Board of Directors. Approvals of membership applications require a majority vote of the currently held and occupied Board of Director seats notwithstanding Section 9 of Article III of these bylaws.

**Section 2: MEMBERSHIP DUES AND FEES.** The Corporation will not require initial or annual membership dues. Administration and other costs and fees will be negotiated between the Corporation and the member community and documented in a Memorandum of Agreement signed by the member community, or their authorized agent and by the Corporation Board of Directors, or its authorized agent.

**Section 3: MEMBERSHIP BOOK.** The Corporation shall maintain a membership book listing the name and address of each community entity, the members of the elected governing body of the community entity and their appointed board members. Supporting documents from the governing body of each entity will also be maintained in the membership book. The book shall also contain the date the membership of any Member in the Corporation ceases. The membership book will be kept in the principal place of business of the Corporation.

**Section 4: NONLIABILITY OF MEMBERS.** No Member by virtue of just being a Member of the Corporation shall be liable for the debts, liabilities or obligations of the Corporation.

**Section 5: TERMINATION OF MEMBERSHIP.** An appointed Member's membership interest in the Corporation shall terminate on the occurrence of any of the following events:

- a. Upon receipt by the Board of Directors of a Member's written resignation of membership in the Corporation,
- b. Upon the dissolution or ineligibility of the Member ,
- c. If, after twelve (12) months from the date that a community's membership was approved the Corporation has not purchased Quota Share on behalf of a community, that community's membership is terminated. The eligible community may resubmit an application as described in Section 1 of Article II,
- d. If, after being given an opportunity to be heard, the Board of Directors for the Corporation finds that a Member has engaged in conduct that violates the purposes for which the Corporation was formed, or has breached the duty of good faith owed to the Corporation to such a degree that the Member's membership interest in the Corporation should be terminated.

**Section 6: ANNUAL MEETINGS.** At least one meeting of the Board of Directors representing Members will be held the third Wednesday of October. Attendance by all Members identified in Section 1 is encouraged. This annual meeting will be held at the

principal office of the Corporation designated in Article 1 or such other place as chosen by the Board of Directors. The purpose of the annual meeting will be to transact any and all business of the Corporation including but not limited to the appointment of the Board of Directors, election of officers of the Board of Directors and the ratification of the acts of the Board of Directors undertaken since the last meeting of members.

**Section 7: SPECIAL MEETINGS.** Special meetings of the Members may be called for any purpose or purposes by:

- a. A majority of the Board of Directors, or
- b. A written request from a majority of the Member Communities of the Corporation.

All requests for a special meeting of Members must state the reason for which the special meeting of Members is being sought. Requests to have a special meeting of Members will be considered served on the Board of Directors of the Corporation if they are given to any member of the Board of Directors or any Officer of the Corporation by either personal delivery or certified mail.

Upon receipt of a valid request for a special meeting by a Member, the Board of Directors will schedule a special meeting at a date not less than thirty (30) days nor no more than sixty (60) days from the receipt of the request. The Board of Directors shall give notice of the special meetings to all members. If the Board of Directors fails to give the notice of the special meeting, Member making the request for the special meeting may set the date and time of the special meeting and give the notice themselves.

**Section 8: NOTICES OF MEETINGS.** Notices of all Member meetings shall be in writing and must be signed by the Chairman, Vice Chairman or Secretary of the Corporation. All notices of a Members meeting must contain a statement about the purpose for which the meeting is to be called and any special business which is to be conducted therein. The notice must also state the date, time and place of the meeting. The notice must be either delivered or mailed (by US Postal Service or electronic mail) to each Member at least fifteen (15) days before the meeting. If the notice is mailed, it must be sent to the last known address of the Member as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Member or knows that the address it has is no longer valid, it shall give notice to that Member by publishing it at least once in a newspaper of general circulation in the area of the Corporation's principal office.

Personal delivery of a notice to any officer of a governing body shall constitute valid service on the represented community. The officer of the Corporation giving notice of the meeting shall file a declaration with the minutes of the Corporation stating that notice of the meeting has been duly given to all Members entitled to vote and the communities that are represented by the voting membership.

If a meeting is adjourned after being properly called for less than thirty (30) days, no new notice need be given to the Members. If a meeting is adjourned for more than thirty (30)

days, a new notice of the date, time and place or the resumption of the meeting must be given to the Members.

**Section 9: BUSINESS AT THE MEETING.** At a special meeting of Members, the business transacted therein shall be limited to that which is stated in the notice of the meeting unless all of the Corporation's Members are present in person and all agree to additional business being conducted.

**Section 10: QUORUM FOR MEETING.** If a majority of appointed Board Members representing a majority of the active corporate membership currently listed in the membership book, outstanding and entitled to vote are present in person, a quorum shall exist for conducting the meeting. If, however, a quorum does not exist, a valid meeting cannot be held.

If a quorum is present when the meeting is called, the Members may continue to hold the meeting and transact business until adjournment, even if some Members leave so that a quorum is no longer present, provided a majority of members who constituted the initial quorum still remain.

**Section 11: ACTION TAKEN WITHOUT A MEETING.** Except for the Appointment of Directors, Members can without a meeting undertake any business that would otherwise require a meeting if authorized by the written consent of Members holding a majority of voting power, unless state law or the Articles of Incorporation require a higher voting percentage.

**Section 12: CONSENTS TO MEETINGS.** The actions undertaken at a meeting of Members that was not properly called and noticed shall nevertheless be valid if:

- a. A quorum was present in person, and
- b. Each of the Members entitled to vote and who were not present in person sign a written waiver of notice or consent to the holding of such meeting and the approval of the actions taken therein.

All such waivers and consents must be filed with the corporate books and made a part of the minutes of the corporate meeting therein. A Member's attendance of a meeting which was not properly called and noticed shall constitute a waiver of notice unless an objection is made on the record at the meeting.

**Section 13: CONDUCT OF MEETING.** The Chairman, if present and if not then the Vice Chairman, shall call a meeting of Members together and preside over the meeting as the Chairman. If neither the Chairman nor the Vice Chairman is present, the Members shall appoint a person to serve as the Chairman. The Secretary of the Corporation, if present and if not a person chosen by the Members, shall serve as the secretary of the meeting of Members. All meetings shall be conducted pursuant to Robert's Rules of Order, unless other procedures are selected by a majority vote of Members.

### **ARTICLE III**

## **DIRECTORS**

**Section 1: NUMBER OF DIRECTORS.** There shall be three designated directors for each represented community at the time of incorporation. The number of directors shall be increased by three for each represented community added after initial incorporation up to a maximum membership of two (2) eligible communities. Upon membership of three (3) eligible communities the number of Directors shall be reduced to two (2) designated directors for each community represented. Upon membership of five (5) or more eligible communities the number of Directors shall be reduced to one (1) designated director for each community represented. If the number of directors is increased or decreased as a result of increased or decreased community membership, the governing body of the represented community shall reissue a letter or resolution of appointment to reflect the number of allowed designated directors. Directors designated for each community shall be selected in a manner decided upon by the governing body of the Member community. Directors shall be of legal age and at least one Director from each represented community shall be an American citizen. Each Director shall hold office for a period of time specified by the governing body of the represented community at the time of appointment or until a successor is appointed. The governing body of the represented community may, but is not required to, appoint an alternate for each designated director. Appointment of alternates shall be conducted in the same manner and for the same maximum number of designated directors. Alternate designated directors may execute all duties of designated directors in their absence from any regular meeting. Alternate designated directors may not act on a designated member's behalf for special meetings.

**Section 2: STANDARD OF CARE.** Each Director shall perform his duties, including those of being a Member on any corporate board, in good faith. Each Director shall execute all duties through the use of the standard as to what in the Director's opinion is in the best interests of the Corporation. In making all decisions a Director shall utilize such reasonable care and inquiry as a reasonably prudent person in a like situation would employ.

**Section 3: VACANCIES ON THE BOARD.** Vacancies on the Board and new positions created by increasing the number of Directors may be filled by appointment by the governing body of the represented community. A vacancy on the Board shall be deemed to exist upon the death, resignation, or removal of any Director, an increase in the number of Directors or a failure of the Members to fill all Board positions.

**Section 4: REMOVAL OF DIRECTORS.** The governing body of the represented communities may at any time remove the Directors designated by them. The governing body of the represented community may appoint directors to fill such vacancies as may result.

**Section 5: POWERS OF THE BOARD OF DIRECTORS.** The Board of Directors is responsible for the management of the Corporation's business and legal affairs. Towards this end, the Board will exercise all of the corporate powers to do such lawful acts which

are not prohibited by either state law or the Articles of Incorporation. Specific duties of the Board of Directors include:

- a. Management of Halibut and Sablefish Quota Share held on behalf of represented communities. Management includes but is not limited to; purchase of Quota Shares (when directed by the represented community), conversion of Quota Shares to Individual Fishing Quota, managing debt repayment of Quota Share debt incurred in the purchase of Quota Shares (per individual financing arrangements) and sale of Quota Shares (when directed by the represented community or other mechanism specifically allowed under 50 CFR Part 679.5(c)).
- b. Administration and oversight of the Community Quota Entity Program for the represented communities. Administration and oversight includes but is not limited to; making all required public notices of Quota Share transfers and availability of IFQs resulting from held Quota Shares, collecting data required for annual reporting and administering financial assets of the Corporation for the represented communities. Actual administration will be conducted as outlined in Memorandums of Agreement between the Corporation and the represented communities.
- c. Distribution of IFQs resulting from held Quota Share. Each year the board of directors will receive and confirm eligibility for applications for IFQ leases. The IFQs will be distributed to eligible fishermen (Fisherman eligibility will be based on requirements established in 50 CFR Part 679. Residency will be based on existing municipal boundaries for incorporated cities or those residences eligible for membership of non-profit community organizations in unincorporated communities.). Distribution of IFQs will be conducted for each member community in one of the following manners, as decided upon by the Board of Directors at the Annual Meeting.
  - i. Based on the receipt date of the request. Requests will be filled until all held IFQs for a represented community are distributed. If multiple requests are received on the same day those requests will be randomly drawn, with the Board of Directors serving as witnesses, to establish rank order.
  - ii. Proportional Distribution. IFQs resulting from CQE held Quota Share may be distributed in direct proportion to currently held Quota Share of the applicants for CQE IFQs. Each applicant's currently held share of quota would be based on the current Total Allocated Catch ratio and their currently held Quota Share as reported by the National Marine Fisheries Service.
  - iii. Even Distribution. Lease Applications must be submitted to the CQE by October 31 of each calendar year. Resulting IFQs from CQE held quota may be evenly distributed to all eligible applicants who have applied by the October 31 deadline.

- iv. Eligible fishermen may be required to provide a bid and an amount of IFQ that they would like to lease from the CQE by October 31 of each calendar year. IFQs may be distributed to the highest bidder with the remaining amount leased to the next highest bidder until all available resulting IFQs are leased.
- v. Any other equitable method of distribution as determined and approved by the Board of Directors.
- d. Other duties as determined by the Board of Directors or the general Membership of the Corporation.

## **MEETINGS OF THE BOARD OF DIRECTORS**

**Section 6: DIRECTORS MEETINGS.** The Board of Directors shall set all meetings of the Board, both regular and special, pursuant to these Bylaws. Such meetings may be held both within and without the state of incorporation as designated by the Board.

**Section 7: REGULAR AND ANNUAL MEETINGS.** Regular meetings of the Board of Directors may be held without notice at such time and place as set by the Board of Directors. The Board of Directors shall hold an annual meeting without notice immediately after and at the same place as the annual meeting of members. Regular non-annual meetings of the Board of Directors (monthly) shall be held at the corporate offices or such other place as may be designated, as follows:

- a. Time of the Meeting: 10:00 a.m..
- b. Date of the Meeting: 3<sup>rd</sup> Tuesday of every month.

If the date for the regular meeting falls on a holiday or weekend, the meeting shall be held on the next business day. No notice for a regular meeting set in these Bylaws need be given.

**Section 8: SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by the President or Secretary upon receipt of a written request to do so from a Director. Written notice of Special Meetings shall be given to each Director at least fifteen (15) days prior to the meeting. Such notice shall be given either personally to each director or by mail (US Postal Service or electronic mail).

If the notice is mailed, then it must be sent to the last known address of the Director as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Director or knows that the address it has is no longer valid, it shall give notice to that Director by publishing it at least once in a newspaper of general circulation in the city of the Corporation's principal office.

The actions taken at a special meeting of Directors which was not properly called and noticed will nonetheless be considered valid if:

- a. All of the Directors are present at the meeting and sign a written consent to the meeting and the actions taken thereunder, or
- b. A majority of the Directors are present at the meeting and those Directors not present sign a written consent to the meeting and the actions taken thereunder. Such consent may be given either before or after the meeting has been held.

If a Director attends a special meeting which was not properly called and noticed without objecting upon arrival, that Director waives such notice and the actions taken thereunder shall be as valid as if the meeting was properly called.

**Section 9: QUORUM.** At any meeting of the Board of Directors no action may be undertaken unless a quorum of Directors is present. A quorum of Directors shall constitute a majority of duly elected and appointed Directors. Unless state law specifies a higher percentage, every act or resolution of the Board shall need only a majority vote of the quorum to pass.

**Section 10: RESIGNATION.** A Director may resign at any time effective upon giving written notice to the Board of Directors. Upon notice of the resignation the Board shall notify the members and request that the governing body of the community represented by the resigning director be filled by appointment.

**Section 11: COMPENSATION OF DIRECTORS.** The corporation may pay, if approved by the Board of Directors, any expenses incurred by its Directors in attending any meeting of the Board. No other compensation is permitted.

## **COMMITTEE OF DIRECTORS**

**Section 12: UTILIZATION OF COMMITTEES.** The Board of Directors has the authority to create as it deems necessary committees of Members, to include one or more Directors to exercise the powers of the Board of Directors in specified areas of the Corporation's business and legal affairs. A committee so formed may be given the power to affix the corporate seal to documents which it may execute.

**Section 13: COMMITTEE MINUTES.** All committees created by the Board shall keep regular and detailed records of their activities and make regular reports to the full Board of Directors.

**Section 14: CONSULTANTS.** The Board of Directors has the authority to appoint one or more persons to serve as consultants to the Board. Such consultants perform such special assignments as delegated to them by the Chairman and furnish such consultations on such matters as requested by the Board. Rate of pay for consultants will be negotiated between the Board of Directors, or their appointed agent, and the consultant, or their appointed agent.

## **ARTICLE IV NOTICES**

**Section 1: NOTICE TO DIRECTORS AND MEMBERS.** All notices to Directors and Members must be in writing and given by personal delivery, by telegram or by mail (US Postal Service or electronic mail). If the notice is mailed, then it must be sent to the last known address of the Director or Member as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Director or Member or knows that the address it has is no longer valid, it shall give notice to that Director or Member by publishing it at least once in a newspaper of general circulation in the city of the Corporation's principal office.

**Section 2: WAIVER OF NOTICE.** If a person who is entitled to vote at any meeting, be it a Members or Directors meeting, is not given such a valid notice of the meeting, no action undertaken at such meeting will be valid unless the person gives a valid waiver of notice. A waiver of notice is accomplished by:

- a. Being present at the meeting and either not objecting to the meeting or entering oral consent to the meeting on the record, or
- b. Executing a written waiver of notice for the meeting and the business to be transacted therein.

Once a waiver of notice has been validly executed, the transaction undertaken at the meeting, if a quorum was present, shall be as valid as if the meeting had been properly called and noticed.

## **ARTICLE V OFFICERS**

**Section 1: APPOINTMENT.** The Board of Directors shall appoint the officers of the Corporation. The initial Officers of the Corporation shall be the Chairman, Vice Chairman, Secretary/Treasurer. The Board may appoint assistants to the above officers as it deems appropriate. Any person can hold two or more offices unless precluded by state law. The election of officers shall normally occur, except for the filling of vacancies, at the annual meeting of Directors following the annual meeting of Members.

**Section 2: OFFICERS' SALARIES.** No compensation shall be provided to the Officers of the Board of Directors beyond what is authorized for all Board Members.

**Section 3: OFFICERS' TERM OF OFFICE.** The term of office for the officers of the Corporation shall be one year. New officers will be appointed from the board of directors at the annual meeting. Any officer may be removed from office by the Board at any time by a majority vote. Any vacancy in any office of the Corporation shall be filled by the Board of Directors from the remaining Board Members. Any officer may resign at any time by giving written notice to the Board of Directors. A resignation shall take effect on the date specified in the notice unless the Board of Directors votes to have a sooner date

and removes the resigning officer prior to the effective date of the resignation. Regular elections for officers will take place at the Annual Meeting which will be held in accordance with Article III, Section 7 of the Bylaws.