

The Competitive Selection of Users for the Right to Conclude Agreements on the Allocation of Fisheries Sections for Commercial Fisheries and the Conclusion of such Agreements

Part II

RF Government Decree #264 of April 14, 2008

Moscow

Regulations on the Preparation and Conclusion of Agreements on the Allocation of Fisheries Sections for Commercial Fisheries

1. The present Regulations establish the procedures for preparing and concluding agreements on the allocation of fisheries sections for commercial fisheries, including coastal fisheries (hereinafter, the “Agreement”), with the granting of the right to conclude such Agreement to be based upon the results of a competitive selection process (hereinafter, the “Competition”).
2. The subject of this Agreement shall be the right to harvest (catch) species of aquatic biological resources within the fisheries sections indicated in the official list of such fisheries sections approved by the executive agency of the respective administrative region of the Russian Federation in coordination with the Russian Federation State Fisheries Committee (hereinafter, “fisheries sections”), for the purpose of conducting commercial fisheries, including coastal fisheries, in the aquatoria of the internal waters of the Russian Federation, including the internal seas and the territorial waters of the Russian Federation.
3. The Russian Federation State Fisheries Committee or government authority of the administrative region of the Russian Federation (hereinafter, “Competition Organizers”) shall prepare and conclude these Agreements in accordance with their authority. Competition Organizers shall conclude the Agreement based on the Pro Forma Agreement approved by Russian Federation Government Decree #264 of April 14, 2008.

A draft of the Agreement shall be included in the Competition documentation.
4. The Agreement shall be concluded in accordance with the conditions stipulated in the Competition Notification and the Competition documentation. The Agreement may be concluded for up to a 20 year period.
5. The following may be used as justification for conclusion of the Agreement:
 - a) Evaluation protocol and appropriate applications to participate in the Competition stipulated in the Regulations on the Competitive Selection of Users for the Right to Conclude Agreements on the Allocation of Fisheries Sections for Commercial Fisheries, as approved by Russian Federation Government Decree #264 of April 14, 2008, and formalized in accordance with established procedures;
 - b) Documents proving that payment has been made for the fisheries beach section to the treasury of the administrative region of the Russian Federation where the fisheries beach section is

located or which is adjacent to it, in the amount indicated in the application to participate in the Competition.

6. The Competition Organizers shall forward 1 original of the protocol and draft Agreement to the Competition Selectee for signing within 5 working days from the signing date of the evaluation protocol and attachment of the application to participate in the Competition.

7. Signers of the Agreement:

for the Competition Organizers – an officer authorized by the Competition Organizers ;

for the Competition Participant – the Competition Selectee (or official representative, provided that documents are available that support the authority of such representative to sign the Agreement).

The Agreement shall be compiled in 2 originals, 1 of which shall be retained by the Competition Organizers, and the other shall be forwarded to the Competition Selectee.

8. Competition Selectee within the time frame indicated in the Competition documentation shall forward to the Competition Organizers a signed Agreement and the documents stipulated in Subpoint “b” of Point 5 of the present Regulations.

9. A Competition Selectee who has not presented the Competition Organizers a signed Agreement, the draft of which was sent to the Selectee in accordance with Subpoint 6 of the present Regulations, together with the documents stipulated in Subpoint “b” of Point 5 of the present Regulations, within the time frame stipulated in the Competition documentation, shall be considered to have failed to conclude the Agreement. In this case, the Competition Organizers shall conclude the Agreement with the Competition Participant whose application came in second, in accordance with the Regulations on the Competitive Selection of Users for the Right to Conclude Agreements on the Allocation of Fisheries Sections for Commercial Fisheries, and the Conclusion of such Agreements.

10. If only 1 Competition Participant has been able to participate in the Competition, then within 10 working days from the signing date of the protocol of application review stipulated in the Regulations on the Competitive Selection of Users for the Right to Conclude Agreements on the Allocation of Fisheries Sections for Commercial Fisheries and the Conclusion of such Agreements, the Commission shall forward a draft of the Agreement to the Competition Participant. The Competition Participant is entitled to sign the Agreement within 10 working days from the date that the Commission has issued its decision. During this same period, the Competition Participant, in signing the Agreement, shall perform the conditions stipulated in the documents indicated in Subpoint “b” of Point 5 of the present Regulations, and shall return the signed Agreement to the Competition Organizers, including these documents. Competition Organizers shall sign the Agreement within 10 days from the receipt date of the Agreement and indicated documents.

11. Should either Party decline to conclude the Agreement, the other Party shall be entitled to sue in court to require conclusion of the Agreement , as well as the compensation of losses incurred as a result of the refusal to conclude the Agreement.

Pro forma Agreement on the Allocation of Fisheries Sections for Commercial Fisheries

City: _____ Date: ____ . *(place and date Agreement concluded)*

.....
(name of government agency)

in the person of: _____, *(position, last name, first name, patronymic)*

acting in accordance with: _____, *(regulation, charter, power of attorney – indicate which)*

hereinafter, the government agency, on the first part, and _____ *(full name of the organization or last name, first name, and patronymic of the individual businessperson)*

.....
in the person of: _____ *(last name, first name, and patronymic of the citizen or person acting on behalf of an organization or an individual businessperson under power of attorney)*

.....
acting in accordance with: _____ *(document certifying identity and representation)*

_____ hereinafter, the User , on the second part, hereinafter jointly named the “Parties”, based on Competition Commission Decision # ____ dated __ *(Competition Commission protocol date and number)* have concluded the present Agreement concerning the following:

I. Subject of the Agreement

1. Under the present Agreement, the government agency hereby presents to the User rights to harvest (catch) aquatic biological resources on the following fisheries beach section:
_____ *(name of the fisheries beach section as listed in the fisheries sections that include the aquatoria of the internal waters of the Russian Federation, including the internal seas of the Russian Federation and the territorial waters of the Russian Federation, as approved by the executive government agency in the respective administrative region of the Russian Federation in coordination with the Russian Federation State Fisheries Committee)*

.....
within the following boundaries: _____,

having the following area: _____ (hereinafter, the “Fisheries Section”), for the following species of aquatic biological resources inhabiting the waters within the boundaries of the fisheries beach section _____. The fisheries beach section has the following stock amounts of aquatic biological resources _____.

2. The government agency hereby presents the fisheries beach section to the User for purposes of conducting the following type of fishery: _____. *(indicate whether commercial fishery or coastal fishery)*

3. Users must utilize the fisheries beach section in accordance with the laws on the harvest and conservation of aquatic biological resources and water use laws.

4. In accordance with established procedures, restrictions may be applied to use of the fisheries beach sections to ensure that the fishery complies with the aquatic biological resource harvest and conservation laws.

II. Rights and Obligations of the Parties

5. The government agency shall have the following rights:

a) to monitor the Users' compliance with the conditions of the present Agreement;

b) to conduct inspections of the fisheries beach section territory, fishing vessels, fishing gear and catches of aquatic biological resources, as well as the buildings and facilities adjacent to the territory of the fisheries beach section and intended to contain the fishing vessels, fishing gear and harvested (caught) aquatic biological resources, for the purpose of ensuring the performance of the conditions of the present Agreement.

6. The government agency shall have the following obligations:

a) to explain to the User the requirements of the legal standards regulating the User's activities under the present Agreement;

b) to inform the User of all information relating to the fisheries beach section.

7. The User shall have the following rights:

a) to harvest (catch) the species of aquatic biological resource within the boundaries of the fisheries beach section;

b) in coordination with the government agency and in accordance with established procedures, to place commercial and other types of gear and to introduce new technological processes while utilizing the fisheries beach section;

c) to receive information from the government agency relating to the fisheries beach section.

8. The User shall have the following obligations:

a) to observe the provisions of the aquatic biological resource fisheries and conservation laws, as well as the conditions of the present Agreement;

b) to prevent degradation of the aquatic biological resource habitat;

c) to maintain the fisheries beach section in a condition that satisfies the sanitary and ecological requirements of the laws of the Russian Federation;

d) to maintain an accounting of the species of aquatic biological resource harvested (caught) within the territory of the fisheries beach section;

e) to submit statistical information gathered on the aquatic biological resources caught during the fishery conducted on the fisheries beach section, production information on fish products made from the species of aquatic

biological resource, and information on numbers of harvested (caught) aquatic biological resources delivered for reprocessing or sale within the territory of the Russian Federation, in the manner prescribed by the laws of the Russian Federation;

f) to mark the boundaries of the fisheries beach section using special signs to indicate that it belongs to the User;

g) to maintain and protect the fisheries beach section at User's own expense;

h) to allow access to the fisheries beach section by officers of the territorial agencies of the Russian Federation State Fisheries Committee;

i) in case of damage inflicted on species of aquatic biological resource and/or their habitat as a result of User's actions, to compensate said damage (degradation) in the manner prescribed by the laws of the Russian Federation, as well as to report the occurrence of such damage (degradation) to the territorial agencies of the Russian Federation State Fisheries Committee within 10 days;

j) to utilize the fisheries beach section as intended and within the established boundaries.

III. Term of the Agreement

9. The present Agreement shall become valid from the date of its signing by the Parties and shall remain valid until: _____ (20 years)

IV. Abrogation and Expiration of the Agreement

10. The present Agreement shall expire at the end of its term of validity.

11. The present Agreement shall become invalid under circumstances prescribed by the civil laws of the Russian Federation.

12. The present Agreement may be abrogated by agreement of the Parties .

13. Abrogation of the present Agreement by judicial decision at the request of one of the Parties shall occur on grounds stipulated in the laws of the Russian Federation, as well as in cases of violation of the conditions of the present Agreement by the other Party.

V. Responsibilities of the Parties

14. The Parties shall be responsible for non-performance or improper performance of their obligations under the present Agreement in accordance with the laws of the Russian Federation.

15. The Parties shall not be responsible for abrogation or improper performance of their obligations under the present Agreement if it results from circumstances of an insurmountable nature, including, but not limited to, such circumstances as earthquake, flood and similar acts of nature, as well as extreme situations.

VI. Miscellaneous

16. The Parties shall make all necessary efforts to settle disputes and disagreements arising from the present Agreement through negotiations between the Parties.

17. All disputes and disagreements between the Parties arising from the present Agreement that cannot be settled through negotiation shall be decided in a court of law in accordance with the laws of the Russian Federation.

VII. Concluding Provisions

18. Amendments made to the present Agreement shall be valid only if they refer to the present Agreement, have been executed in writing, signed by the duly authorized representatives of both Parties and formalized with the official stamps of the Parties.

No amendments may be made to the current conditions of the present Agreement, including the conditions indicated in the official Competition notice, the Competition documentation and the application to participate in the Competition submitted by the legal entity or the individual businessperson.

19. The Agreement shall be compiled in 2 originals, each having equal legal validity, one original for each Party.

20. Should the information on the Parties change (mailing and legal addresses, banking information, etc.), the Party must notify the other Party in writing about such changes within 3 working days. Until receipt of such notification, all notices sent to the previous addresses shall be considered valid.

VIII. Addresses and information on the Parties

Government agency:

User:

(Name)

(Name)

Legal and mailing address:

Legal and mailing address:

Taxpayer ID

Taxpayer ID

Banking Information:

Banking Information:

Position of person authorized

Position of person authorized

to sign the present of the Agreement

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—

(Signature) (Full Name)

Official Stamp

to sign the present of the Agreement

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(Signature) (Full Name)

Official Stamp