

Exxon Valdez Oil Spill Trustee Council

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RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL PERTAINING TO THE ASSET ALLOCATION FOR THE PERIOD 2000-2004

The *Exxon Valdez* Oil Spill Trustee Council (the "Council") is responsible for the management and investment of the *Exxon Valdez* Oil Spill Joint Trust Fund (the "Joint Trust Fund"). The Joint Trust Fund is used by the governments for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources and services lost or injured as a result of the oil spill.

Public Law 106-113 allows investment of the Joint Trust Funds outside the United States Treasury but limits investments to "income-producing asset classes, including debt obligations, equity securities, and other instruments or securities that have been determined by unanimous vote of the Council to have a high degree of reliability and security". The investment objective for the Joint Trust Fund, as described in the Investment Policies adopted by the Trustee Council on February 29, 2000, is to provide adequate liquidity for ongoing restoration purposes and preserve the inflation-adjusted value of the principal, while realizing competitive, total rates of return. In order to meet this investment objective, the Trustee Council unanimously agreed on this date that Joint Trust Fund monies shall be invested outside the Federal Court Registry under the authority of Public Law 106-113.

The Council reviewed income producing obligations and other instruments and securities at a meeting on March 16, 2000. At that time, the Council also reviewed capital market returns and risk assumptions developed by the Alaska Department of Revenue, Division of Treasury's consultant, Callan Associates (dated January 2000).

Federal Trustees

U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees

Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

THEREFORE, BE IT RESOLVED THAT the Council adopts the following asset allocation:

ASSET ALLOCATION


	Target	Benchmark
Domestic Equities (Broad Market)	41% ± 7%	Russell 3000
International Equities	17% ± 5%	EAFE
Domestic Fixed Income	42% ± 7%	Lehman Aggregate


AND FURTHER THAT the Council recognizes that the asset allocation adopted today has a median expected return of 8.25% with a standard deviation/risk of 10.59%.


AND FURTHER THAT the Council shall annually evaluate the asset allocation adopted today.

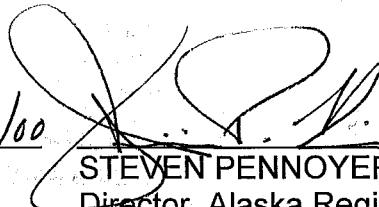
AND FURTHER THAT the Council determines that a portfolio composed of investments benchmarked to the Russell 3000 Index, the EAFE Index and the Lehman Aggregate Index and with similar risk and return characteristics to those indexes does have a high degree of reliability and security.

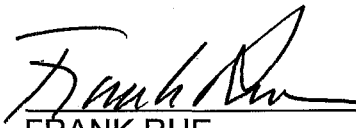
Approved by the Council at its meeting of April 24, 2000 as affirmed by our signatures affixed below.

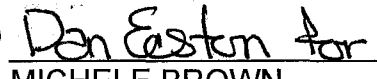
 Dated 4/27/00
DAVE GIBBONS
Trustee Representative
Alaska Region
USDA Forest Service

 Dated 4/24/00
BRUCE M. BOTELHO
Attorney General
State of Alaska

 Dated 4/24/00
MARILYN HEIMAN
Special Assistant to the
Secretary for Alaska
U.S. Department of the Interior

 for Dated 4.24.00
STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

 Dated 4.24.00
FRANK RUE
Commissioner
Alaska Department of Fish and Game

 for Dated 4.24.00
MICHELE BROWN
Commissioner
Alaska Department of Fish and Game