

**RESOLUTION 08-03 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE
JACOBS AND MUTCH ANCHOR RIVER SMALL PARCELS**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (“Trustee Council”), after review and consideration of relevant information regarding restoration of resources injured by the Exxon Valdez Oil Spill (“EVOS”) find as follows:

1. The owners of Lots 7 and 8 in Section 33, Township 4 south, Range 15 West, Seward Meridian, Homer Recording District (the Jacobs parcel) and the owners of Tract A, according to the plat of HMS Resolution Ridge, filed under Plat Number 2002-23, Records of the Homer Recording District, Third Judicial District, State of Alaska (the Mutch parcel), approached the Council and The Nature Conservancy, indicating an interest in selling these parcels, consisting of 38 acres (Jacobs) and 46 acres (Mutch), to the State of Alaska as part of the Council’s program for restoration of natural resources and services that were injured or diminished as a result of the *Exxon Valdez* oil spill.

2. An appraisal approved by state and federal review appraisers estimates the fee simple fair market value of the Jacobs parcel to be \$215,000 and the Mutch property to be \$235,000. The total cost to purchase these parcels, including due diligence activities involving quiet title, is \$540,000, of which \$365,000 will be funded by an approved federal National Coastal Wetland Conservation Act grant and private donations.

3. Trustee Council Resolution 06-02 authorized funds in the amount of eighty thousand dollars (\$80,000.00) for the acquisition of the Jacobs small parcel and ninety five thousand dollars (\$95,000.00) for the acquisition of the Mutch small parcel to

be used in conjunction with the funding identified above. The resolution required that acquisition be completed by December 30, 2006.

4. The two parcels are contiguous and are located at the mouth of the Anchor River. The Anchor River is one of the most heavily fished rivers in Alaska. As set forth in Attachment A, the Jacobs and Mutch Anchor River parcels have attributes that will restore, replace, enhance, and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. In particular, the parcels will provide important public access for sportfishing, a service injured by the spill, and rearing habitat for injured species such as Dolly Varden. The parcels are adjacent to land already owned by the State and managed for sportfishing.

5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the *Exxon Valdez* oil spill (“EVOS”) present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources.

6. There has been widespread public support within Alaska as well as on a national basis for the acquisition of these lands.

7. The purchase of these parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of these parcels is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds for the State of Alaska to acquire all the seller's rights and interests in the Jacobs and Mutch Anchor River parcels pursuant to the following conditions:

(a) the amount of funds to be provided by the Trustee Council to the State of Alaska shall be eighty thousand dollars (\$80,000) for the Jacobs small parcel and ninety five thousand dollars (\$95,000) for the Mutch small parcel;

(b) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by December 31, 2009;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund"), and transfer of the necessary monies from the Investment Fund to the State of Alaska Department of Natural Resources;

(d) a title search satisfactory to the State of Alaska and the United States is completed, and the seller is willing and able to convey fee simple title by warranty deed;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase of these parcels;

(f) a hazardous materials survey satisfactory to the State of Alaska and United States is completed;

(g) compliance with the National Environmental Policy Act; and

(h) a conservation easement on the Jacobs and Mutch parcels shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law.

It is the intent of the Trustee Council that the above-referenced conservation easement will provide that any facilities or other development on the foregoing parcels shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to pre-spill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Restoration Plan as approved by the Trustee Council.

By unanimous consent, following execution of the purchase agreement between the seller and the State of Alaska and written notice from the Executive Director of the Trustee Council (“Executive Director:”) that the terms and conditions set forth herein and in the purchase agreement have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural

Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcels from the appropriate account designated by the Executive Director.

Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

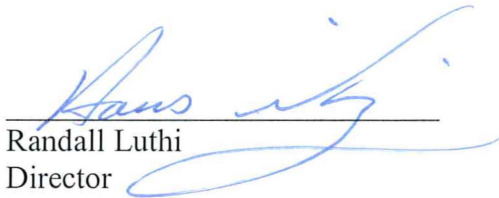
Approved by the Trustee Council at its meeting of March 17, 2008 held in Anchorage, Alaska, as affirmed by our signatures affixed below:



Joe L. Meade
Forest Supervisor
Forest Service Alaska Region
U. S. Department of Agriculture

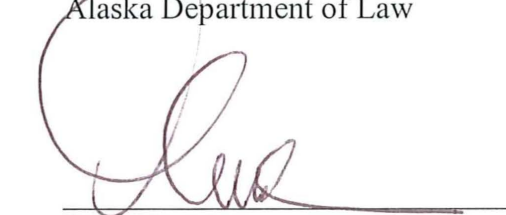


Talis J. Colberg
Attorney General
Alaska Department of Law

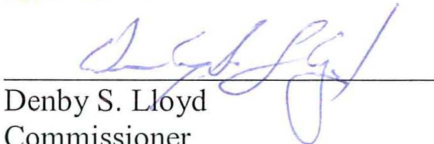


Randall Luthi
Director
Minerals Management Service
U.S. Department of Interior

*HANS NEIDIG FOR
Randall Luthi*



James Balsiger
Administrator, Alaska Region
National Marine Fisheries Service
U.S. Department of Commerce



Denby S. Lloyd
Commissioner
Alaska Department of Fish and Game



Larry Hartig
Commissioner
Alaska Department of Environmental
Conservation

**ATTACHMENT A
RESOLUTION 06-02 WITH ATTACHMENTS
including
BENEFITS REPORT AND MAP**

**RESOLUTION 06-02 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE
JACOBS AND MUTCH ANCHOR RIVER SMALL PARCELS**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council (“Council”), after extensive review and after consideration of the views of the public, find as follows:

1. The owners of Lots 7 and 8 in Section 33, Township 4 South, Range 15 West, Seward Meridian, Homer Recording District (the Jacobs parcel) and the owners of Tract A, according to the plat of HMS Resolution Ridge, filed under Plat Number 2002-23, Records of the Homer Recording District, Third Judicial District, State of Alaska (the Mutch parcel), have indicated an interest in selling these parcels, consisting of 38.45 acres (Jacobs) and 46.24 acres (Mutch), to the State of Alaska as part of the Council’s program for restoration of natural resources and services that were injured or diminished as a result of the Exxon Valdez oil spill (EVOS).

2. An appraisal approved by the state and federal review appraisers estimates the fee simple fair market value of the Jacobs parcel to be \$215,000.00 and the Mutch property to be \$235,000.00. The total cost to purchase these parcels is \$540,000, of which \$365,000 will be funded by an approved federal Coastal Wetlands Act grant and private donations.

3. The two parcels are contiguous and are located at the mouth of the Anchor River. The Anchor River is one of the most heavily fished rivers in Alaska. As set forth in Attachment A (Appraisal Summary Review), the Jacobs and Mutch Anchor River parcels have attributes that will restore, replace, enhance, and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. In particular, the parcels

will provide important public access for sportfishing, a service injured by the spill and rearing habitat for injured species such as Dolly Varden. The parcels are adjacent to land already owned by the state and managed for sportfishing.

4. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing laws and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on the recovery of injured resources and lost or diminished services provided by these resources.

5. There is widespread public support for the acquisition of these parcels.

6. The purchase of these parcels is an appropriate means to restore a portion of the injured resources and services in the spill area. Acquisition of these parcels is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds for the State of Alaska to acquire all of the sellers' rights and interests in the Jacobs and Mutch Anchor River property, pursuant to the following conditions:

(a) the amount of funds to be provided by the Trustee Council to the State of Alaska shall be eighty thousand dollars (\$80,000.00) for the Jacobs small parcel and ninety five thousand dollars (\$95,000.00) for the Mutch small parcel;

(b) authorization for funding for the acquisitions described in the foregoing paragraph shall terminate if purchase of the property is not completed by December 30, 2006;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council (Executive Director);

(d) completion of the following to the satisfaction of the State of Alaska and the United states for each parcel:

(i) title search;

(ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and the Office of the Solicitor of the United States Department of the Interior;

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey;

(v) statement of compliance with the National Environmental Policy Act; and

(vi) approval of the appraisals by the review appraiser(s);

(f) conservation easements on the Jacobs and Mutch parcels, satisfactory in form and substance to the United States and the State of Alaska Department of Law, shall be conveyed by the sellers to the United States;

(g) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States;

(h) receipt by the State of Alaska of such other monies as are described in this resolution and necessary for completion of the purchases; and

(i) a determination that the State of Alaska has the legal authority to expend such monies as are required to complete these purchases.

It is the intent of the Council that the conservation easements referenced above will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be neither commercial timber harvest nor any other commercial use of the small parcel excepting such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to pre-spill conditions of any natural resource injured, lost or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected resources as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Trustee Council.

By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein and in the purchase agreement have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the amounts described above to be paid from joint settlement

funds for the above-referenced parcels from the appropriate account designated by the Executive Director.

Such amount represents the only amount due under this resolution to the sellers by the State of Alaska and the United States to be funded from the joint trust funds, and no additional amounts or interest is herein authorized to be paid to the sellers from such joint funds.

Approved by the Council at its meeting of August 10, 2005 held in Anchorage, Alaska, as affirmed by our signatures affixed below:



JOE MEADE
Forest Supervisor
Chugach National Forest
USDA Forest Service

SCOTT NORDSTRAND
Deputy Attorney General
State of Alaska

JAMES BALSIGER
Director, Alaska Region
National Marine Fisheries Service

McKIE CAMPBELL
Commissioner
Alaska Department of Fish and Game

DRUE PEARCE
Senior Advisor to the Secretary
for Alaska Affairs
Department of Interior

KURT FREDRIKSSON
Commissioner
Alaska Department of Environmental
Conservation

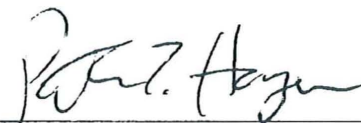
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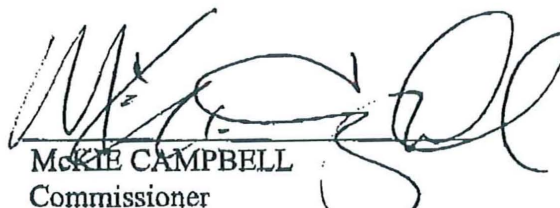
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Department of Interior



KURT FREDRIKSSON
Commissioner
Alaska Department of Environmental
Conservation

Anchor River - Mutch

Location: Anchor River, Kenai Peninsula

Legal Description: KEN ____ (Mutch) parcel: Tract A, according to the plat of "HMS RESOLUTION RIDGE", filed under Plat Number 2002-23, Records of the Homer Recording District, Third Judicial District, State of Alaska

Agency Sponsor: ADF&G w/ ADNR as a cooperator

Landowner: Paul Mutch

Appraised Fair Market Value: \$235,000 (per 3/31/05 appraisal)

Total Project Cost: \$280,000

Cost Breakdown: \$235,000 (Purchase price); \$20,000 (estimated direct costs including appraisal (\$11,000), due diligence (\$4000), title insurance/closing fees (\$5000); \$ 25,000 (estimated indirect costs including staff time and overhead)

Total Cost to EVOS: \$95,000 (estimated)

Estimated Closing Date: December 2005

The Mutch parcel is one of three remaining private parcels located along the Anchor River estuary on the southern Kenai Peninsula – an ecologically important salt marsh that supports a large and popular sport fishery. The Mutch parcel is located 1± mile west of Anchor Point at the north end of Anchor Point Beach Road, fronting on Cook Inlet and intersected by the Anchor River. The parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 46.24 acres.

The parcel consists of 13.6± acres of relatively level and elevated sandy/gravelly beach and grassy berm to the west of the Anchor River and an additional 5± acres of low elevation beach sloping to the mean high tide line of Cook Inlet. The remaining 27.5± acres are part of a larger salt marsh/estuary complex with high ecological significance. The parcel will contribute to the restoration of the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS"). The parcel is also important to the restoration or preservation of healthy populations of several species of salmonids (Dolly Varden, steelhead, coho salmon, king salmon).

The property is bounded to the south by existing State Park lands. The proposed acquisition will be complemented by planned purchase of the other two remaining private parcels (Jacobs and McGee, totaling 46± acres) within the Anchor River estuary. 67.6% of the total project costs for acquisition of the Mutch and Jacobs parcels is being provided by an approved federal Coastal Wetlands Act grant and private donations. The EVOS Trustee Council is being asked for the remaining 32.4%. Funding for the McGee parcel acquisition was previously approved by the EVOS Trustee Council.

Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting recreational and tourism uses and habitat for salmonids and other fish species.

Anchor River - Jacobs

Location: Anchor River, Kenai Peninsula

Legal Description: KEN ____ (Jacobs) parcel: That portion of Lots 7 and 8 in Section 33, Township 4 South, Range 15 West, Seward Meridian, Homer Recording District, Third Judicial District, State of Alaska, lying southwest of Anchor Bluff Estates

Agency Sponsor: ADF&G w/ ADNR as a cooperator

Landowner: Paul Jacobs

Appraised Fair Market Value: \$215,000 (per 3/31/05 appraisal and federal review)

Total Project Cost: \$260,000

Cost Breakdown: \$215,000 (Purchase price); \$20,000 (estimated direct costs including appraisal (\$11,000), due diligence (\$4000), title insurance/closing fees (\$5000); \$ 25,000 (estimated indirect costs including staff time and overhead)

Total Cost to EVOS: \$80,000 (estimated)

Estimated Closing Date: December 2005

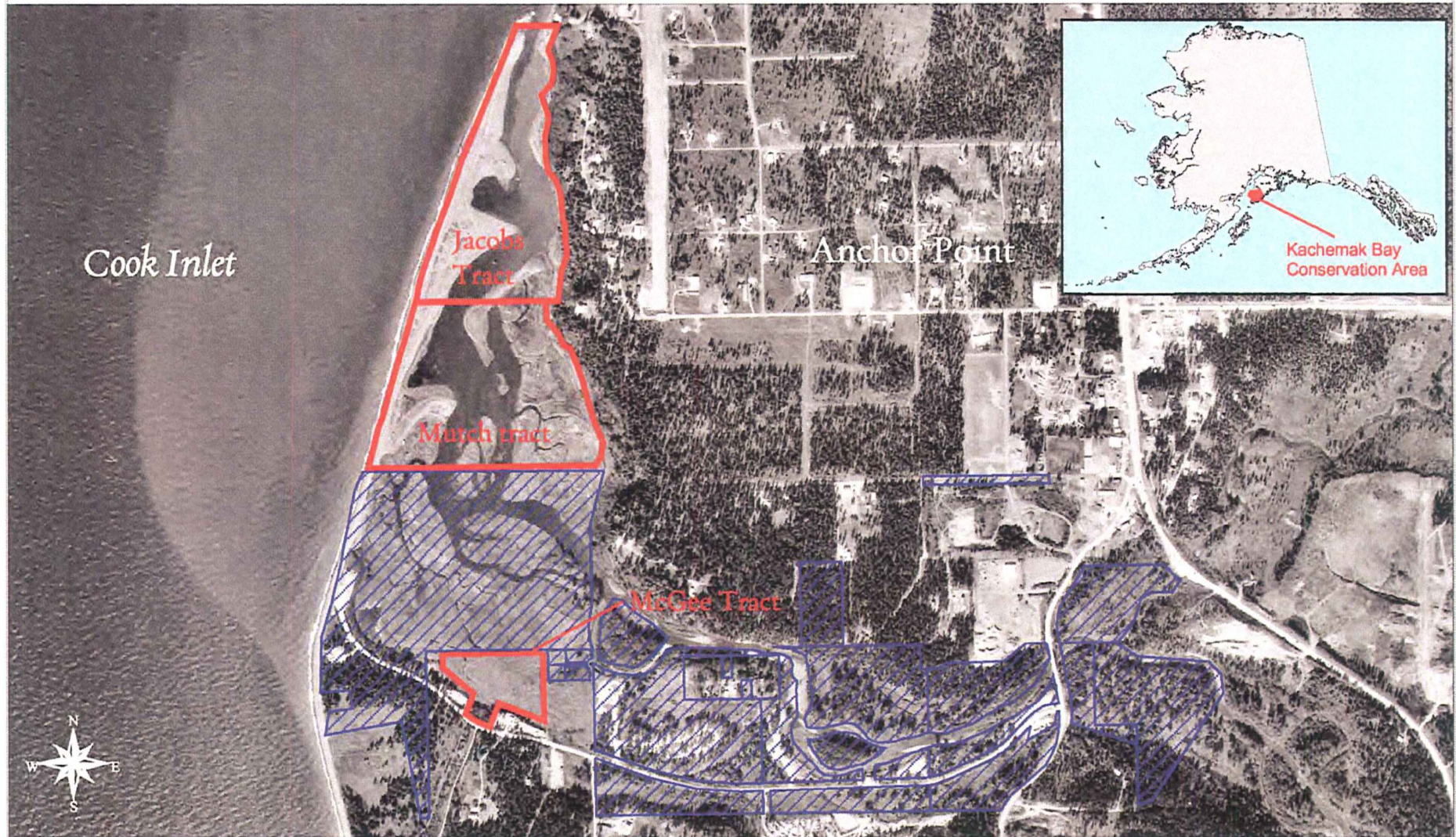
The Jacobs parcel is one of three remaining private parcels located along the Anchor River estuary on the southern Kenai Peninsula – an ecologically important salt marsh that supports a large and popular sport fishery. The Jacobs parcel is located 1± mile west of Anchor Point to the north along the beach at the end of Anchor Point Beach Road. It fronts on Cook Inlet and is intersected by the Anchor River. The parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 38.45 acres.

The parcel consists of 12.9± acres of relatively level and elevated sandy/gravelly beach and grassy berm to the west of the Anchor River and an additional 8.1± acres of low elevation beach sloping to the mean high tide line of Cook Inlet. The remaining 17.5± acres are part of a larger salt marsh/estuary complex with high ecological significance. The parcel will contribute to the restoration of the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill (“EVOS”). The parcel is also important to the restoration or preservation of healthy populations of several species of salmonids (Dolly Varden, steelhead, coho salmon, king salmon).

The property is bounded to the south by the Mutch parcel. The proposed acquisition will be complemented by the planned purchase of the other two remaining private parcels, the McGee and Mutch parcels (totaling 53.7± acres) within the Anchor River estuary. 67.6% of the total project costs for acquisition of the Mutch and Jacobs parcels is being provided by an approved federal Coastal Wetlands Act grant and private donations. The EVOS Trustee Council is being asked for the remaining 32.4%. Funding for the McGee parcel acquisition was previously approved by the EVOS Trustee Council.

Protection of these tracts supports restoration of species and services injured by the Exxon Valdez Oil Spill by protecting recreational and tourism uses and habitat for salmonids and other fish species.

Kachemak Bay : Mouth of the Anchor River Tracts






Map prepared by The Nature Conservancy of Alaska (v 05 07 2003)

The Nature Conservancy



SAVING THE LAST GREAT PLACES ON EARTH

-  Potential TNC acquisitions
-  Conservation Area Boundary

-  State of Alaska lands

0.25 0 0.25 0.5 0.75 1 1.25 Kilometers