

RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

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

1. The Eyak Corporation ("Eyak"), owns the surface estate of, or is entitled to receive title to, and has expressed a willingness to sell land or interests in lands located within the Chugach National Forest in Prince William Sound, consisting of approximately 75,425 acres ("the Lands"). The Lands were selected and conveyed pursuant to the Alaska Native Claims Settlement Act. The subsurface rights associated with the Lands are held by Chugach Alaska Corporation.

2. The Lands are within the oil spill affected area as defined by the Trustee Council in the Final Restoration Plan.

3. Eyak desires to sell the Lands as more specifically described in Exhibit A to the United States or the State of Alaska as part of the Trustee Council's program for restoration of the natural resources and services that were injured or reduced as a result of the Exxon Valdez Oil Spill ("EVOS"). These interests are comprised of approximately 55,357 acres of fee simple surface estate interests, approximately 6,667 acres of conservation easement interests, and approximately 13,401 acres of timber conservation easement interests.

4. The Lands include important habitat for various species of fish and wildlife for which significant injury resulting from the spill has been documented through the Trustee Council's habitat

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acquisition analysis. The Restoration Benefits Report for Eyak Lands, which is attached as Exhibit B, describes the habitat value of the Lands as related to resources injured by the EVOS.

5. Existing laws and regulations, including, but not limited to, 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 natural resources, and acquisition of equivalent resources and services injured, lost or reduced as a result of the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, biologists, 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 likely have a beneficial effect on recovery of injured resources and lost or reduced services provided by these resources.

6. There is widespread public support for the acquisition of the Lands.

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

8. Based on the Government's fair market value appraisal, the estimated fee value of all of the Lands is approximately \$13.6

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million. The estimated fair market value of the Lands, considering the conservation easement and timber conservation interests, is approximately \$11.8 million. Although timber was not considered the highest and best use of the land in the Governments' appraisal, the range of value of the commercial timber located on the Lands is estimated to be from \$5 million to \$30 million. This estimate is based on the state and federal review appraisers' review of transactional evidence of recent timber harvesting activities by Eyak and timber cruise data acquired from a timber cruise performed by the Governments in 1993 and 1994 on a portion of the Lands. A range in the timber value results from the fluctuation in timber market conditions.

9. It is ordinarily the Federal and State Governments' practice to pay fair market value for the land interests they acquire. To the extent that the acquisition of the Lands exceeds the Governments' appraised fair market value of the Lands, we believe it is appropriate in this case to pay more than fair market value for these particular interests because of the Lands' exceptional habitat for purposes of promoting recovery of natural resources injured by the EVOS and the need to acquire it promptly to prevent any potential degradation of the habitat by development of the Lands.

10. The offer set forth below represents the lowest price at which the Lands can be acquired because of the installment payment schedule provided for in the Exxon settlement agreement and resulting limited availability of funds. This offer therefore

reflects a value that provides Eyak a benefit for selling its interests in the Lands by means of installment payments and yet provides for protection under the Trustee Council's habitat protection program.

11. This offer is a reasonable price given the significant natural resource and service values protected on the Lands generally and the low probability of significant development on a large portion of the timber conservation easement lands; the scope and pervasiveness of the EVOS environmental disaster and the need for protection of ecosystems; and the relationship of that portion of the overall price in excess of the Governments' appraised fair market value to earlier large parcel acquisitions in the habitat protection program.

THEREFORE, we resolve to authorize funding for an offer to purchase a combination of surface estate fee simple and conservation easement interests in the Lands for the United States, acting through the Forest Service, or for the State of Alaska, as identified in Exhibit A; if the offer is accepted at the amounts set forth below, the United States and the State of Alaska shall enter into appropriate agreements in conformity with applicable Federal and State law to purchase and acquire these interests in the Lands. This offer and such agreements shall contain and are subject to the following conditions and terms:

(a) the purchase price for the interests shall be forty-five million dollars (\$45,000,000), to be paid according to the payment

schedule described below, which has a net present value of forty million dollars (\$40,000,000);

(b) receipt by the United States District Court for the District of Alaska ("District Court") of any necessary settlement payments due from Exxon Corporation, et al., and subsequent disbursement of these funds by the District Court;

(c) completion of a satisfactory title search, including assurance that Eyak is able to convey fee simple title or other interests in a manner that complies with the United States Department of Justice ("DOJ") title standards and is satisfactory to the Alaska Department of Law ("ADOL");

(d) no development is to take place on the Lands prior to closing;

(e) approval of the sale by the shareholders of Eyak;

(f) the relinquishment by Eyak of its remaining land selections and lands prioritized for conveyance within the Chugach National Forest;

(g) completion of a purchase agreement and all other documents necessary for conveyance of the interests in the Lands to the United States and/or the State of Alaska in the form and substance satisfactory to DOJ and ADOL, which, among other things, shall include the following terms and conditions:

(1) approximately 1250 of the 2052 acres on which the United States acquired timber rights from Eyak on January 13, 1995 ("Orca Narrows Subparcel"), will be open to public access as provided on conservation easement lands; in addition, a forty acre

site along the East Simpson Bay shoreline and adjacent to the Orca Narrows Subparcel shall be conveyed in fee to the United States;

(2) no development sites shall be retained by Eyak on the interests to be conveyed in fee or on conservation easement lands, except the two existing five-acre cabin sites, located in Sheep Bay and in East Simpson Bay that may be retained by Eyak; no more than two additional rustic cabins may be built on each site;

(3) Eyak may retain certain access rights to a parcel of land consisting of no more than five acres at the mouth of Sahlin Lagoon for a bear viewing area, in addition to a trail right of way to utilize the bear viewing area;

(4) Eyak will restrict the number of shareholder homesite leases adjacent to surface fee or conservation easement lands in Prince William Sound to ninety-five, which can only be located on the areas delineated on Exhibit A; no homesite leases will be issued for land located in Windy Bay and Port Gravina; all newly issued homesite leases shall include terms and conditions such that the homesites are to be used only for single family residential purposes and not for commercial use, the homesites shall not be subdivided, and buildings placed on the homesites for residential use shall be constructed of such materials and colors as to blend into the natural character of the area. With respect to the seven shareholders who received a homesite by issuance of a shareholder land use permit as of March 31, 1997, in Sheep Bay or Simpson Bay, Eyak may authorize such permit holders to convert their shareholder land use permit to a commercial bed and breakfast

lease subject to restrictions on the number of individuals allowed on site on a daily basis and the size of authorized structures on site;

(5) Eyak may retain in fee four sites in the so-called Core Lands and adjoining delta lands, as identified in Exhibit A, with final legal descriptions to be approved by the United States and the State; one such site is to be used for a cultural spirit camp near Crystal Falls, two sites are to be associated with power development on Power Creek, and one gravel pit site may be located on the delta lands;

(6) timber conservation easements conveyed by Eyak shall prohibit new commercial timber harvesting and associated road building, as well as new infrastructure associated with the conduct of such activities;

(7) Eyak shall convey to the State a road easement to access a deep water port that may be constructed at Shepherd Point;

(8) Eyak may retain two sites of one acre each in fee to support mariculture facilities, one of which may be located on lands to be conveyed in fee in West Simpson Bay, or otherwise located in East Simpson Bay or West Simpson Bay; if a site is located in West Simpson Bay, the site shall be situated in the proximity of the retained shareholder homesite interests, to the extent possible, to minimize any effects resulting from additional development and the location(s) shall be approved by the United States and the State, which approval shall not be unreasonably withheld;

(9) Eyak shall grant to the State of Alaska or the United States, as appropriate, a conservation easement similar to that used in other acquisitions funded through the Council that will enable the State or the United States to enforce on a non-exclusive basis the restoration objectives of this acquisition. The form and substance of such easements must be satisfactory to the ADOL and DOJ;

(10) the U.S. Forest Service agrees to address, as part of the normal forest plan revision process for the Chugach National Forest, a potential future transportation corridor in the Rude River area;

(h) a hazardous substances survey is completed to the satisfaction of the United States and the State of Alaska for the respective interests in the Lands acquired by each Government; By unanimous consent, and upon execution of the purchase agreement and written notice from the United States and the State of Alaska that the terms and conditions set forth herein and in the purchase agreement have been satisfied, we request the ADOL and the Assistant Attorney General of the Environment and Natural Resources Division of the DOJ to petition the District Court for withdrawal from the District Court Registry account the sum of \$7,000,000 at the time of closing and thereafter, to petition the District Court as follows:

October 1, 1998	\$ 6,000,000
October 1, 1999	\$14,000,000
October 1, 2000	\$ 5,000,000

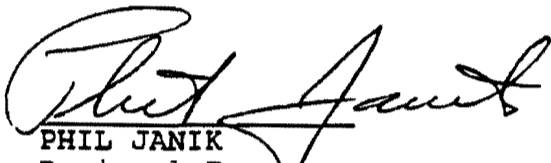
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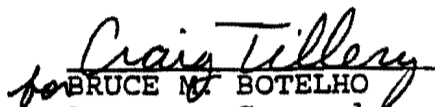
October 1, 2001 \$ 6,000,000

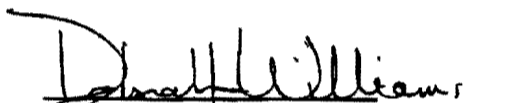
October 1, 2002 \$ 7,000,000

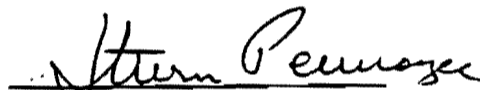
These amounts represent the only amounts due under this resolution to Eyak by the United States or the State of Alaska from the joint funds in the District Court Registry, and no additional amounts or interest are herein authorized to be paid to Eyak from such joint funds.


Dated this 2nd day of July, 1997, at Anchorage and Juneau, Alaska.

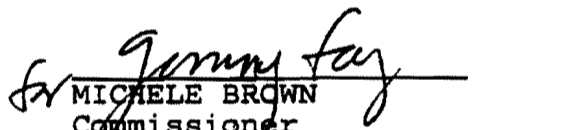

PHIL JANIK
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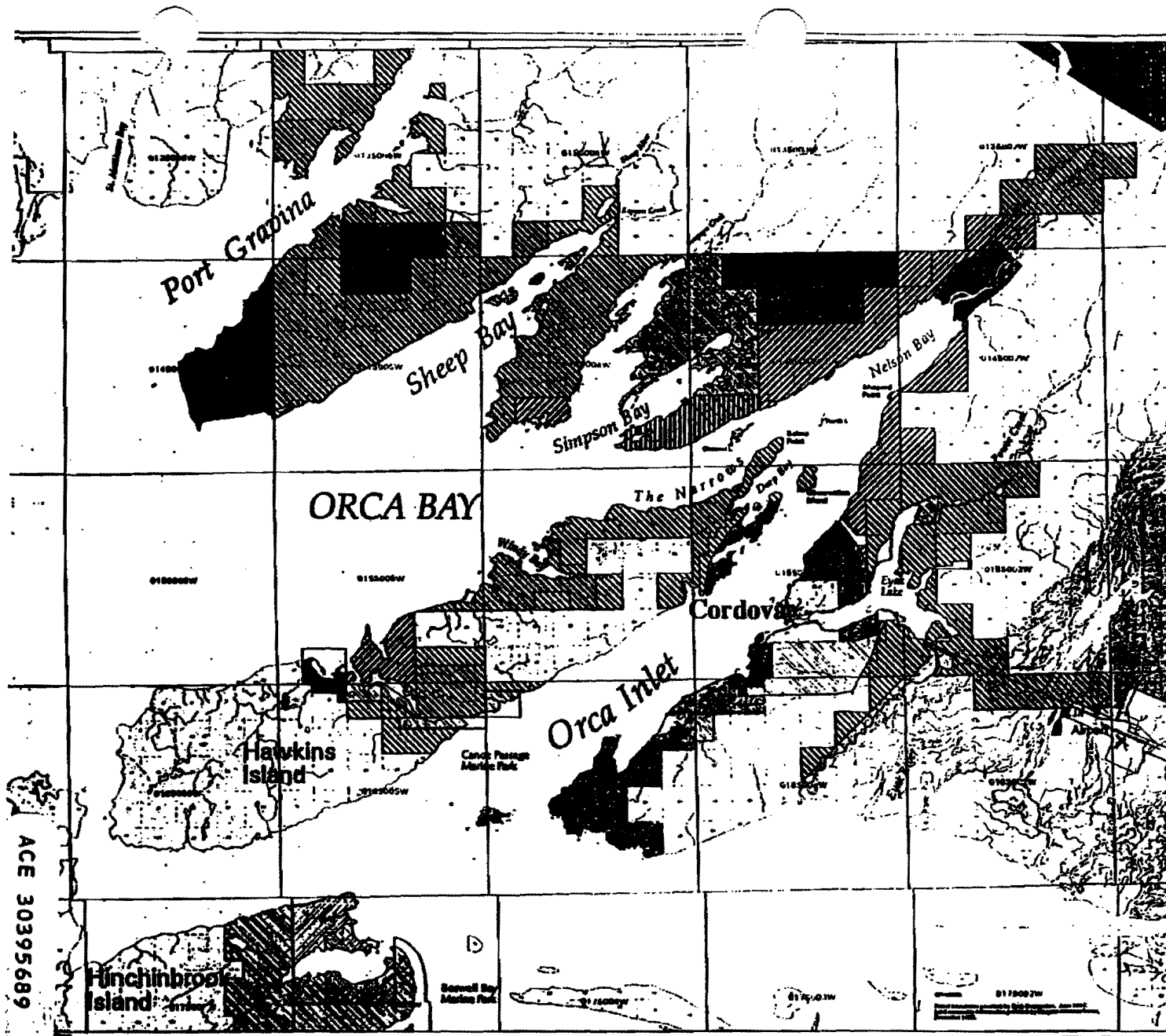

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Environmental Conservation

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HABITAT PROTECTION ACQUISITION PROJECT
EYAK PROPOSAL
 July 2, 1997
 CORDOVA VICINITY, ALASKA

Scale 1:25,000
 Contour Interval 20 Feet
 North Arrow

LEGEND

- Fee Simple
- Conservation Easement
- Timber Conservation Easement
- Previous EVOS Acquisition
- Shareholder Land Use Lease Program - Retained Lands (Unsurveyed)
- Rustic Cabins Site (Retained - 5 Acres)
- Public Access Site (Fee Simple - 40 acres)

LAND STATUS

- Chugach National Forest
- State Patented or Tentatively Approved
- Eyak
- Chugach Alaska Corporation
- Tatitlek
- Other
- State Selected
- Eyak Selected

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Produced by:
 Alaska Department of Natural Resources
 Land Resource Information Section
 Date printed: Nov 20, 1997

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RESTORATION BENEFITS REPORT EYAK LANDS

Region

The Eyak lands are located in eastern Prince William Sound in the vicinity of Cordova, Alaska.

Proposed Acquisition Description

Eyak Village Corporation Lands. Eyak lands consist of more than 70,000 acres in eastern Prince William Sound. Eastern Prince William Sound is characterized by a less rugged coast line than the western Sound. There is a general character of low forested hills dissected by streams, low march lands and tidal flats. The area presents a broken pattern of muskeg bogs, large areas of boreal forests covering entire hillsides and extending to 2,000 feet in elevation.

The proposed acquisition includes fee simple title to the Core Parcels (less some inholdings) and conservation easements on some of the other parcels. Possible conservation easements are commercial timber rights, public access for non-consumptive uses, development rights and use limitations.

Restoration Benefits

Eyak lands are an integral part of the use and viewshed areas around Cordova, especially Orca Narrows and the three Core Parcels that surround Eyak Lake behind Cordova. Much of the area supports high value wilderness-based recreation including hunting, fishing, sea-kyaking and camping. A great diversity of biological resources also rely on the lands.

Eastern Prince William Sounds better growing conditions produce extensive Western Hemlock/Sitka Spruce forests. The eastern Sound has few islands and the beaches are more open and flat as a result of the 1964 earthquake uplift.

The subsurface estate is owned Chugach Alaska Corporation.

Eyak lands were ranked high for the following injured resources and services:

Pink Salmon (Sheep Bay, Windy Bay, and Canoe Pass),
Sockeye Salmon (Eyak Lake, Power Creek, and Core Parcels),
Cutthroat trout (Deep/Windy Bay, Power Creek, Eyak Lake, and Core Parcels),
Dolly Varden (Power Creek, Eyak Lake, Eyak River, and Core Parcels),
Pacific Herring (Outer Sheep Bay),
Bald Eagle (most parcels),
Black oystercatchers (Sheep Bay),
Harbor Seals (Sheep Bay, and Canoe Pass),
Harlequin Ducks (Sheep Bay, Port Gravina),

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Intertidal/subtidal biota (Sheep Bay),
Marbled Murrelet (Orca Narrows),
River Otter (Port Gravina, Power Creek, Eyak Lake, Core Parcels, and Rude River),
Sea Otter (Sheep Bay, Deep/Windy Bays, East Simpson Bay, and West Simpson Bay),
Wilderness (Port Gravina, Windy/Deep bays),
Recreation and Tourism (most parcels),
Cultural Resources (Sheep Bay),
Subsistence (all Parcels).

Eyak lands contain important habitats for several resources and services which suffered injury from the oil spill. Over 30 anadromous streams have been documented. These streams provide important spawning and rearing habitat for pink and sockeye salmon, cutthroat trout and Dolly Varden char.

There is documented regular and occasional spawning of Pacific Herring in several of the bays.

The mature hemlock/spruce forests provide important habitat for bald eagles as well as nesting habitat for marbled murrelets. Harlequin ducks feed and molt along the rocky shorelines and near shore rocks; some areas are heavily used by molters and there is documented nesting in Sheep Bay and Port Gravina.

There are feeding and known latrine sites for river otter along the shorelines with probable denning sites on most parcels.

Eastern prince William Sound has the highest concentrations of sea otters in the oil spill area. Sea otter use is high adjacent to most parcels, with a pupping haulout at Cedar Bay and pupping concentrations in Sheep Bay and Port Gravina.

Eyak lands combined with the surrounding National Forest have high scenic value. Much of the area supports high value wilderness-based recreation including hunting, fishing, sea-kyaking and camping. The area around Cordova is very important to the community for recreation, scenic quality and watershed protection. Cordova's water supply is provided from the Core Parcels. The area has high value cultural resources, with numerous documented historical and archaeological sites.

The area around Cordova directly and indirectly supports extensive recreation and subsistence activities by Cordova residents and visitors. In addition, scenic, wildlife and fish values of the area are becoming increasingly important as a resource to support a growing tourism industry for the community.

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