

**RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**

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

1. Old Harbor Native Corporation ("OHNC"), owns the surface estate of, or has valid prioritized selections on, lands on Kodiak Island, consisting of approximately 32,727 acres within the boundaries of the Kodiak National Wildlife Refuge ("Refuge"), and more particularly described in the negotiated offer at Attachment A. These lands were selected pursuant to the Alaska Native Claims Settlement Act. The subsurface rights associated with these lands are held by the United States of America ("United States").

2. These lands are within the oil spill area as defined by the Trustee Council in the Final Restoration Plan approved November 2, 1994.

3. OHNC is desirous of selling certain of these lands or interests in these lands to the United States as part of the Trustee Council's program for restoration of the natural resources and services that were injured by the Exxon Valdez Oil Spill ("EVOS").

4. These 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 acquisition analysis. This analysis has indicated that these lands

have high value for the restoration of such injured natural resources as pink salmon, Pacific herring, harbor seals, harlequin ducks, bald eagles, the intertidal/subtidal zone, and archeological and cultural resources. This analysis has also indicated that these lands have high value for the restoration of injured services that rely on these natural resources, including commercial fishing, wilderness and subsistence. In addition, the lands have significant restoration values for such injured natural resources as Dolly Varden, black oystercatchers, common murre, marbled murrelets, pigeon guillemots, and river and sea otters, as well as recreation and tourism, natural resource services that were also injured as a result of the oil spill. Restoration of the injured species and the related natural resource services will benefit from acquisition and protection of this important habitat through the elimination of activities and disturbances which may adversely affect their recovery.

5. These lands are located wholly within the boundaries of the Refuge and their protection will ensure the preservation of a significant portion of one of the nation's most productive and unique ecosystems. The benefits resulting from such acquisition and protection are further described in the Habitat Benefits Report at Attachment B.

6. Existing laws and regulations, including but not limited to the Alaska Native Claims Settlement Act, the Alaska National Interest Lands Conservation 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 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 diminished services provided by these resources.

7. There has been widespread public support for the acquisition of these lands, locally, within the spill zone and nationally.

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

9. Recently, on private lands within the Refuge, development and construction has included lodges, private residences and recreational cabins. Such sites have been near key water bodies and can have a significant impact, particularly on a cumulative basis, on water quality and injured natural resources and services well beyond the boundaries of the individual sites. In the event the subject lands are not acquired or protected at this time,

development by the owners is certain to occur on them in a manner that will adversely impact the water quality and subsequently the injured EVOS resources and services sensitive to human disturbance.

10. OHNC's appraiser found an estimate of value for the property in fee totaling \$19,000,000; while the approved appraisal on behalf of the Trustee Council provided an estimate of fair market value totaling \$4,200,000.

11. The U.S. Fish and Wildlife Service ("FWS") prepared and submitted an offer to OHNC to purchase its Kodiak Island lands as per the estimate of fair market value in the approved appraisal. This offer was rejected and negotiations and discussions ensued between OHNC and a joint Federal/State of Alaska negotiating team which resulted in the negotiated offer at Attachment A.

12. It is ordinarily the federal government's practice to pay fair market value for the lands it acquires. However, due to the unique circumstances of this proposed acquisition, including the land's exceptional habitat for purposes of promoting recovery of natural resources injured by EVOS and the need to acquire it promptly to prevent degradation of the habitat, the Trustee Council believes it is appropriate in this case to pay more than fair market value for these particular parcels.

13. This negotiated offer represents the lowest price at which these lands can be acquired or protected under the Trustee Council's habitat protection program.

14. This offer is a reasonable price given the significant natural resource and service values protected; the scope and

pervasiveness of the EVOS environmental disaster and the need for protection of ecosystems; and the relationship of the price in excess of market value to certain other large-scale acquisitions in Alaska by the United States and the State of Alaska, either earlier actions taken under the Trustee Council's habitat protection program or other federal programs.

15. The acquisition of these lands or interests in lands is in compliance with the National Environmental Policy Act; Section 810 of the Alaska National Interest Lands Conservation Act; Section 7 of the Endangered Species Act; the provisions of E.O. 11593 implementing the National Historic Preservation Act; and has been determined to be consistent with Section 307 of the Coastal Zone Management Act.

16. A satisfactory hazardous substance survey has been completed with respect to the lands or interests in lands being acquired.

THEREFORE, we resolve to provide the funds in the amounts set forth below for the United States, acting through FWS, to enter into appropriate purchase agreements with OHNC in conformity with applicable Federal law to purchase and acquire these lands and interests in lands in accordance with the provisions of the negotiated offer by OHNC found at Attachment A. Additional funding for such purchases is to be provided by FWS from the federal portion of the EVOS criminal restitution payment and/or other Congressionally appropriated funds available to FWS. Such

agreements shall contain and are subject to the following conditions or terms:

(a) receipt by the United States District Court for the District of Alaska ("District Court") of the settlement payments due from Exxon Corporation, et al.

(b) disbursement of these funds by the District Court.

(c) completion of a satisfactory title search;

(d) no development is to take place on the relevant lands prior to closing.

(e) Congressional review to the extent required with respect to acquisitions by FWS pursuant to House Report No. 102-116.

(f) approval by the Shareholders of OHNC.

Title to the lands conveyed in fee to the United States shall be subject to the following conditions:

(a) once the land has been conveyed in fee to the United States, it may not be conveyed to any other entity for any purpose; and in the event that there is an attempt by the United States to convey the land or any portion of the land to any entity other than the State of Alaska, in lieu of that conveyance, title to the land, or that portion of the land that would have been conveyed, shall pass to the State of Alaska for inclusion in a State conservation unit that may maintain the restoration and conservation purposes set forth in the negotiated offer.

(b) in the event the State receives title to any land or portions of lands pursuant to the foregoing subparagraph (a) and it is unable to maintain the requirements set forth therein, title to

any such lands shall revert to OHNC and shall be subject to a non-development conservation easement.

(c) FWS shall develop language to implement the foregoing subparagraphs (a) and (b) in form and substance that is satisfactory to the U.S. Department of Justice and the Alaska Department of Law.

By unanimous consent, and upon execution of the purchase agreements and written notice from FWS that the terms and conditions set forth herein and in the purchase agreements 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 petition the District Court as follows:

(a) for withdrawal of the sum of \$4,000,000 from the District Court Registry account established as a result of the governments' settlement with the Exxon companies, to be paid at the initial closing;

(b) for withdrawal of the sum of \$7,250,000 to be paid at the final closing by September 30, 1995.

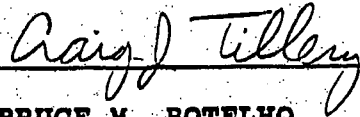
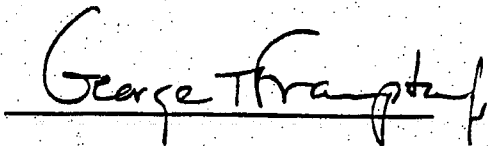
Such amounts represent the only amounts under this resolution due to OHNC by FWS which are to be funded from the joint funds in the District Court Registry, and no additional amounts or interest are herein authorized to be paid to OHNC from such joint funds.

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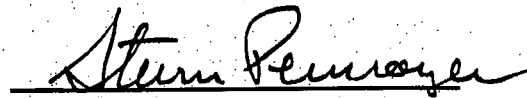
Dated this 2ND day of November, 1994 at Anchorage,
Alaska.



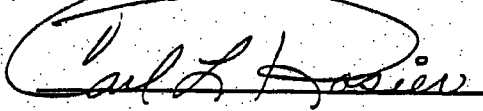
PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service


for BRUCE M. BOTELHO
Attorney General
State of Alaska

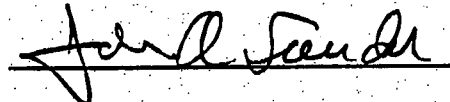
GEORGE T. FRAMPTON, JR.
Assistant Secretary for Fish
and Wildlife and Parks
U.S. Department of the Interior



STEVEN PENNOYER
Director, Alaska Region
National Marine
Fisheries Service



CARL L. ROSIER
Commissioner
Alaska Department of
Fish and Game



JOHN A. SANDOR
Commissioner
Alaska Department of
Environmental Conservation

ACE 10975631