

3/3/95

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

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council, considering the views of the public and as a supplement to our December 2, 1994, and February 22, 1995 Resolutions regarding the Orca Revised, Other, and Core Lands interests owned by the Eyak and Sherstone Corporations (hereafter jointly referred to as "Eyak") find as follows:

1. On December 2, 1994, the Trustee Council unanimously resolved to authorize an offer to purchase from Eyak the Core Lands in fee simple and certain interests in the Orca Revised lands. The acceptance of this offer was subject, among other things, to the preparation of conservation easements that allow for development on the Orca Revised lands only to the extent compatible with the restoration of injured natural resources and services, which Eyak was to convey, in perpetuity, to the United States. Eyak subsequently responded to the offer in the form of a proposal called the "Eyak Concept Change," dated December 12, 1994, which the Trustee Council did not consider consistent with its restoration objectives as presented in the December 2 Resolution.

2. The Orca Revised lands are threatened with imminent clearcut logging. Although protected under a moratorium on commercial timber harvesting negotiated with Eyak in 1994, the moratorium expired March 1, 1995. Pre-sale preparation activities by Eyak have begun and Eyak has represented that it intends to begin logging operations starting March 2, 1995. Recognizing that the issues of development rights and value were not likely to be resolved prior to March 2, the Trustee Council, on February 22, 1995, resolved to provide funding for an offer to purchase a seven year moratorium in the form of a limited conservation easement on the harvest of commercial timber on the Orca Revised lands and a seven year conservation easement providing for significant habitat protection on interests owned by Eyak on the "Other Lands," which Eyak was to convey to at no cost. The Other Lands are lands that Eyak owns the surface estate of, or has valid prioritized selections in, and are located west of Shepard Point, consisting of approximately 36,000 acres. These lands include parcels adjoining Port Gravina, Sheep Bay, Windy Bay, and Simpson Bay. Except for Simpson Bay, which contains lands evaluated as having low restoration value, the Other Lands contain the highest ranked parcels for restoration purposes of any land owned by Eyak.

3. On February 23, 1995, Eyak rejected the Council's supplemental offer and responded with a counter-offer, which the Trustee Council rejected on February 24. Eyak and the Trustee Council mutually agreed to seek mediation. As a result of the mediation process, Eyak and the Trustee Council have pledged to work cooperatively and to enter into a Statement of Intent to achieve the restoration purposes of the Trustee Council on the Orca Revised lands while recognizing the intent of Eyak to pursue timber operations on these lands. Protection of portions

ACE 10975654

of the Orca Revised Lands is important to maintaining water quality and riparian habitats for anadromous fish and maintaining nesting and foraging opportunities for marbled murrelets and bald eagles. The Orca Revised Lands have a high value for recreation/tourism and are highly visible to the nearby community of Cordova.

4. There is widespread public support for the acquisition of interests in the Orca Revised, Other, and Core Lands.

5. The acquisition of the interests in the Core Lands, Other Lands and the Orca Revised lands is an appropriate means to restore a portion of the injured resources and the lost or reduced services in the oil spill area. Acquisition of interests in these lands is consistent with the Final Restoration Plan.

6. On March 1, 1995 the Trustee Council recognized and accepted the Statement of Intent in the form attached.

THEREFORE, the Trustee Council authorizes funds for the United States, acting through the Forest Service, to acquire a limited conservation easement on the Orca Revised lands along Orca Narrows/Nelson Bay for \$200,000 consisting of commercial timber harvest rights for a period of time from March 1, 1995 through and including May 15, 1995 or as extended consistent with the Statement of Intent.

ACE 10975655

In order to carry out this authorization, the United States, acting through the Forest Service, is authorized to enter into a Purchase Agreement and other appropriate agreements in conformity with applicable federal and state law and the Statement of Intent accepted by the Trustee Council to acquire these interests. Payment for the interests conveyed in this limited conservation easement shall occur as soon as possible after closing on the limited conservation easement.

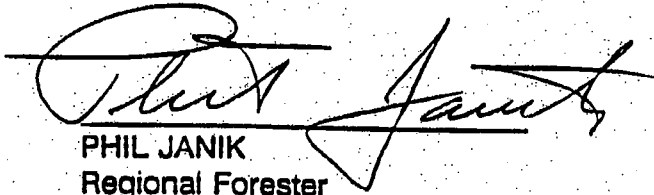
Payment for the interest conveyed in the limited conservation easement is subject to the following:

- (1) The disbursement of funds from the Court Registry by the United States District Court for the District of Alaska (hereafter "District Court").
- (2) Satisfactory completion of a review of title.
- (3) Satisfactory compliance with the National Environmental Policy Act and other applicable federal law.


The Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the U.S. Department of Justice are requested to petition the District Court, following execution of the Statement of Intent by all parties, for the withdrawal of the sum of \$200,000 to be paid at closing on the limited conservation easement.

ACE 10975656

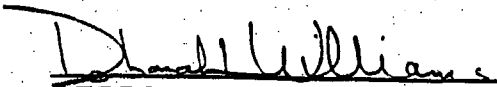
Dated this 3rd day of March, 1995, at Anchorage and Juneau, Alaska.



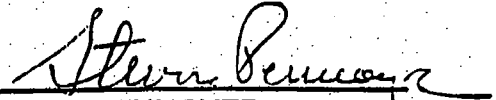
PHIL JANIK  
Regional Forester  
USDA Forest Service

for   
BRUCE M. BOTELHO

Attorney General  
State of Alaska



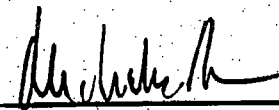
GEORGE T. FRAMPTON, JR.  
Assistant Secretary for Fish  
and Wildlife and Parks  
U.S. Dept. of the Interior



STEVEN PENNOYER  
Director, Alaska Region  
National Marine Fisheries  
Service



FRANK RUE  
Commissioner  
Alaska Department of  
Fish and Game

for 

GENE BURDEN  
Commissioner  
Alaska Department of  
Environmental Conservation

ACE 10975657