

**RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL PWS 11**

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. The owner of small parcel PWS 11 has indicated an interest in selling said parcel;
2. An appraisal of the parcel commissioned by the Seller has been approved by the State and federal review appraisers;
3. As set forth in Attachment A, if acquired, this small 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. This parcel is in the heart of the oil spill affected area. The owner has indicated her willingness to sell it to the State of Alaska for the appraised fair market value of \$475,000;
4. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other development activities. However, restoration, replacement and enhancement of resources injured by the *Exxon Valdez* oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing laws and regulations to protect natural resources and services, biologists,

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scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will have a beneficial affect on recovery of injured resources and lost or diminished services provided by these resources;

5. There has been widespread public support for the protection of small parcels; and

6. The purchase of small parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

THEREFORE, we resolve to provide funds for the State of Alaska to offer to purchase and, if the offer is accepted, to purchase all the seller's rights and interests in small parcel PWS 11 and to provide funds necessary for closing costs recommended by the Executive Director of the Trustee Council ("Executive Director") and approved by the Trustee Council and pursuant to the following conditions:

- (a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Trustee Council to the State of Alaska shall be the final approved appraised value of \$475,000;
- (b) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by December 15, 1997;
- (c) disbursement of these funds by the District Court;
- (d) a satisfactory title search is completed by the acquiring government 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 acquiring government prior to purchase;


- (f) a satisfactory hazardous materials survey is completed;
- (g) compliance with the National Environmental Policy Act;
- (h) a conservation easement satisfactory to the Department of Justice, the United States Forest Service and the Department of Law shall be conveyed to the nonacquiring government.

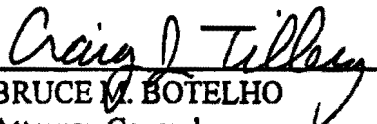
It is the intent of the Trustee Council that any facilities or other development on the foregoing small parcels after acquisition shall be of limited impact and in keeping with the goals of restoration and that there shall be no commercial timber harvest nor any other commercial use of the small parcels excepting such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to prespill 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 ("MOA") and the Restoration Plan as approved by the Trustee Council ("Restoration Plan").


By unanimous consent and upon execution of the purchase agreement and written notice from the State of Alaska and the Executive Director 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 U.S. Department of Justice to petition the District Court for withdrawal of the Purchase Price and any such additional costs related to closing as are recommended by the Executive Director and approved by the Trustee Council for PWS 11 from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing. These amounts represent the only

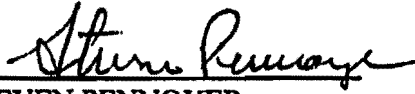
amounts due under this resolution to the Sellers by the State of Alaska or the United States from the joint funds in the District Court Registry and no additional amounts or interest are herein authorized to be paid to the Sellers from such joint funds.


Dated this 6th day of December, 1996.

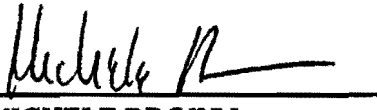

PHIL JANIK
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Alaska Department of
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ATTACHMENT "A"

PWS 11: Horseshoe Bay

Acreage:	315	Rank:	PMSC	Sponsor:	ADNR	Appraised Value:	\$475,000
Owner:	Lucy W. Groh						
Location:	Surrounded by Horseshoe Bay State Marine Park, LaTouche Island						

Parcel Description. This parcel contains 1600 feet of Horseshoe Bay frontage and includes the mouth of an anadromous stream. Part of the parcel is an inholding in the Horseshoe Bay State Marine Park and the rest of it lies immediately adjacent to the park. Chugach Native Corporation owns the uplands surrounding the park.

Restoration Benefits. Public ownership of this parcel will protect habitat for pink salmon and recreation/tourism by preventing further development on this parcel. Acquisition will also ensure public access to the uplands and historic sites on LaTouche Island via existing trails. If the parcel is not acquired, future development of the adjacent uplands could result in user conflicts between the public and private property owners.

Key habitat and other attributes of the parcel include the following:

- *Pink salmon* spawn in the anadromous stream on the parcel.
- *Recreation/tourism.* The best anchorage in the bay is immediately adjacent to this parcel. As a result of the 1964 earthquake, there is very little suitable anchorage area left in Horseshoe Bay. Much of the bay was uplifted, leaving only the northern portion of the bay deep enough for anchorage at all tides. Most of the current use of the park is by residents of nearby Chenega Bay and residents and workers at the San Juan hatchery. Use increases during the hunting season and reaches its peak during commercial fishery openings when boats use the park as an anchorage. Use of the park is likely to increase because of a new airport and dock in Chenega Bay.

The abandoned mining town of LaTouche is located one mile north of Horseshoe Bay Marine Park. In 1930, this town was the location of the largest copper mine in the sound. The privately owned land at the southern point of the bay offers the remains of a small community that was created to support a small copper development at Horseshoe Bay. A small cemetery from the mining era is located within the park.

Potential Threats. The parcel is platted. It is ready to be sold, but none of the lots has yet been sold.

Appraised Value. State and federal review appraisers rejected the initial appraisal of this parcel. A new appraisal was issued and approved. Subsequently, another appraisal was submitted by the seller which was also approved.

Proposed Management. The purpose of acquisition is to preserve and protect in perpetuity the ecological, natural, physical and scenic values of the subject property for the benefit of fish and wildlife resources and services that were injured in the *Exxon Valdez* oil spill. If this parcel is acquired, ADNR will manage it to protect pink salmon habitat and facilitate recreational access to the uplands and historic sites on LaTouche Island. The part of the parcel that lies within the Horseshoe Bay State Marine Park will become

part of the park upon acquisition. The rest of the parcel will probably be classified "Habitat/Public Recreation Land."

Public Comment. The Public Advisory Group noted that the same values that led the surrounding lands to be designated State marine park might make it valuable for restoration purposes.

Exxon Valdez Oil Spill Trustee Council

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February 24, 1997

I certify that the State of Alaska, as represented by the Alaska Department of Natural Resources and the Alaska Department of Law, has complied with the terms and conditions of the resolution approved by the *Exxon Valdez* Oil Spill Trustee Council at its meeting on December 6, 1996 in regard to the small parcel known as PWS 11/Horseshoe Bay and of the purchase agreement for that parcel and hereby request that the Alaska Department of Law and the U.S. Department of Justice request \$475,000 from the U.S. District Court for the purchase of that parcel.

Molly McCammon
Executive Director

ACE 30279719

Federal Trustees	State Trustees
U.S. Department of Interior	Alaska Department of Fish and Game
U.S. Department of Agriculture	Alaska Department of Environmental Conservation
National Oceanic and Atmospheric Administration	Alaska Department of Law

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