RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

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. Afognak Joint Venture (AJV), owns the surface estate of lands located on Afognak Island, Alaska, including the lands generally depicted on the map at Attachment A as parcel AJV 1a, parcel AJV 1b, parcel AJV 3a, parcel AJV 7, and parcel AJV 8 east, more specifically identified at Attachment B, and referred to collectively herein as the Lands.
- 2. The Lands were conveyed to AJV pursuant to the Alaska Native Claims Settlement Act (ANCSA). The subsurface estate associated with the Lands was conveyed to Koniag, Inc. an Alaska Native Regional Corporation.
- 3. The Lands are within the oil spill area as defined by the Council in the Final Restoration Plan approved November 2, 1994.
- 4. Pursuant to a Resolution adopted December 2, 1994 the Council authorized an appraisal of parcels AJV 1a, AJV 3a, AJV 7, and AJV 8 as well as additional lands on Afognak Island owned by AJV and authorized the State of Alaska to offer to purchase parcels AJV 1a, AJV 3a, AJV 7, and AJV 8 at fair market value as determined by an approved appraisal, but not to exceed seventy million dollars (\$70,000,000). The appraisal has now been completed and reviewed by the state and federal review appraisers. The fair market value for parcels AJV 1a, AJV 1b, AJV 3a, AJV 7, and AJV 8 is \$104,446,000 which exceeds the amount allocated for the AJV acquisition.
- 5. A substantial portion of the habitat value of parcels AJV 1a and AJV 1b could be preserved by a limited harvest plan developed cooperatively by AJV and the State of Alaska with

assistance from the United States as needed. Pursuant to the limited harvest plan AJV would construct roads and harvest timber in specified areas. Areas not designated for timber harvest would be conveyed at the time of closing and the designated timber harvest areas conveyed following completion of timber harvesting operations. The appraised value of parcels AJV 3a and AJV 7 is \$39,080,000. The State of Alaska lead review appraiser has estimated that the fair market value of parcel AJV 8a east is \$730,000. The limited harvested plan would be designed such that the timber and land value of parcel AJV 1a and parcel AJV 1b would be \$24,530,000 following completion of the agreed upon timber harvesting for a total appraised value of lands and interests to be acquired of \$64,340,000.

- 6. The Lands include important habitat for various species of fish and wildlife for which significant injury resulting from EVOS has been documented through the Council's habitat protection analysis and large parcel evaluation and ranking. This analysis has indicated that the Lands have high value for the restoration of such injured natural resources as pink salmon, black oystercatchers, harbor seals, harlequin ducks, bald eagles, the intertidal/subtidal zone, marbled murrelets, pigeon guillemots, sea otters, river otters, and cultural and archeological resources. This analysis has also indicated that the Lands have high value for the restoration of injured services that rely on these natural resources, including wilderness, recreation and tourism. Restoration of the injured species will benefit from acquisition and protection of this important habitat through the elimination of activities and disturbances which may adversely affect their recovery.
- 7. The benefits resulting from acquisition and protection of the Lands are further described in the Habitat Benefits Report at Attachment C.
 - 8. Existing laws and regulations, including but not limited to ANCSA, the Alaska

National Interest Lands Conservation Act, the National Park Service Organic Act, the Refuge Administration 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, 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.

- 9. There has been widespread public support for the acquisition of the Lands within Alaska and nationally.
- 10. The purchase of the Lands is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of the Lands is consistent with the Final Restoration Plan.
- 11. The appraisal is based upon a single cash payment. Because the payments would be over a period of years it is necessary that the purchase price be adjusted for the deferred payments. As authorized by the Trustee Council, the purchase price is \$70,000,000 to be paid over four years. The present value of the deferred payments is \$64,340,000.
- 12. This 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; the relationship of the price to other large-scale acquisitions in Alaska by

the United States and the State of Alaska, including purchases under the Council's habitat protection program as well as other federal acquisitions; and the priority of this acquisition to other expenditures of the joint settlement funds for restoration purposes.

13. Acquisition of the Lands will provide significant public access and use that is not currently available.

THEREFORE, we resolve to provide seventy million dollars (\$70,000,000) in funding towards the purchase in fee by the State of Alaska or the United States for the Lands. This amount is based on the above-described acquisition of the Lands, consisting of approximately 19,976.47 acres, more or less, in parcels AJV 3a, AJV 7, and AJV 8 east as depicted on the map at Attachment A and AJV 1a and AJV 1b subject to a limited harvest approved by the State of Alaska and the United States.

This authorization for funding is subject to the inclusion of the following terms and conditions in any implementing purchase agreement with AJV:

- (a) funding is subject to the 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 the subsequent disbursement of these funds by the District Court for this purpose;
- (b) AJV shall grant to the United States at no additional cost a conservation easement similar to that used in other state acquisitions funded by the Council which will enable the United States to enforce on a non-exclusive basis the restoration objectives of this acquisition. The form and substance of this easement and the related warranty deed for the State of Alaska (State) must also be satisfactory to the Alaska Department of Law and the United States Department of Justice;
 - (c) completion of a title search and review satisfactory to the United States and the State

for the respective interests in the Lands acquired by each government;

- (d) no development or timber harvesting is to take place on the Lands prior to closing except such timber harvesting as is approved by the State of Alaska and the United States in parcel AJV 1a and AJV 1b in accordance with the limited harvest plan;
- (e) completion of a hazardous materials survey satisfactory to the State and the United States; and
- (e) compliance with the National Environmental Policy Act and other provisions of applicable federal and state law.

By unahimous consent, following (i) execution of the purchase agreement between AJV and the State of Alaska and the United States, (ii) certification by the Executive Director that the executed purchase agreement is in accordance with the foregoing terms and conditions, and (iii) approval by the State of Alaska of the limited harvest plan for parcel AJV 1a and AJV 1b, 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 for disbursement of the sum of fourteen million dollars (\$14,000,000) from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing, and either annually thereafter or following receipt of the settlement payments due from Exxon in September, 1998, and annually thereafter, whichever is later, to petition the District Court as follows:

- (1) for withdrawal of the sum of fourteen million dollars (\$14,000,000) to be paid one year following the date of closing or by October 1, 1998, whichever is later;
- (\$20,500,000) to be paid two years following the date of closing or by October 1, 1999, whichever is later;

(\$21,500,000) to be paid three years following the date of closing or by October 1, 2000, whichever is later.

APPROVED by the Council at its meeting of May 9, 1997, held in Anchorage and Juneau, Alaska, as affirmed by our signatures affixed below:

PHIL JANIK

Regional Forester

Alaska Region

USDA Forest Service

BRUCE M. BOTELHO

Attorney General State of Alaska

DEBORAH L. WILLIAMS

Special Assistant to

the Secretary of Interior

for Alaska

STEVEN PENNOYER

Director, Alaska Region

National Marine

Fisheries Service

FRANK RUE

Commissioner

Alaska Department of

Fish and Game

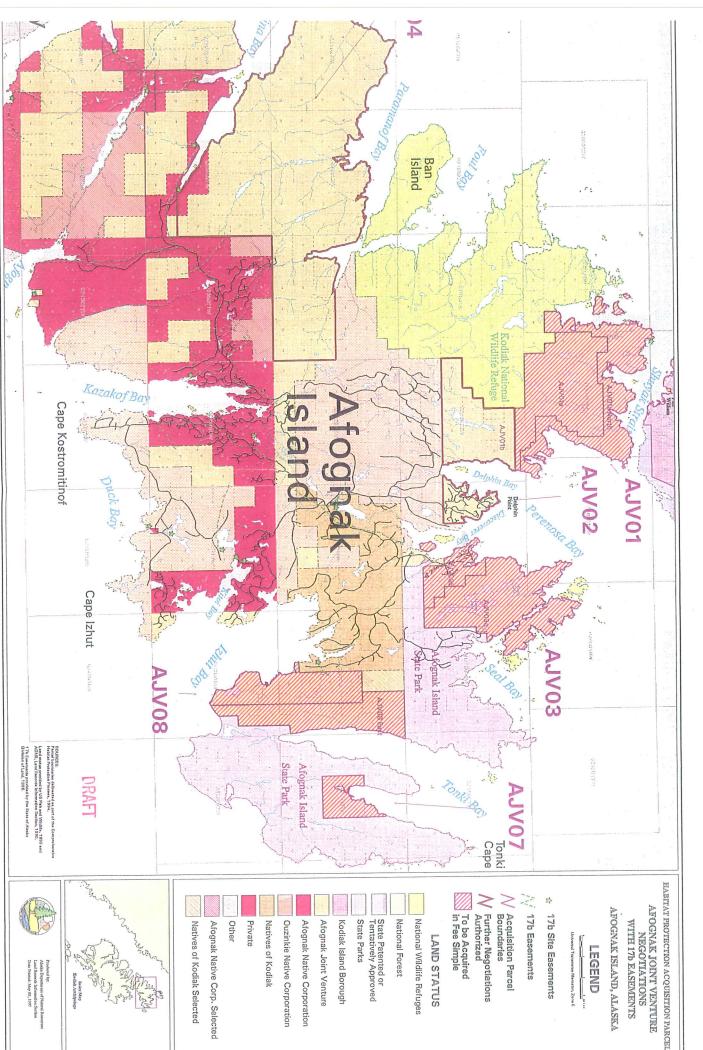
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MICHELE BROWN

Commissioner

Alaska Department of

Environmental Conservation



AJV01a (North)

T. 19 S., R. 20 W., Seward Meridian,

Sec. 31, (fractional) All (27.91 acres).

Containing 27.91 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 19 S., R. 21 W., Seward Meridian,

Sec. 36, (fractional) All (5.41 acres).

Containing 5.41 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 20 S., R. 19 W., Seward Meridian,

Sec. 6, Lots 1 and 2 (0.07 acres);

Sec. 7, (fractional) All (113.06 acres);

Sec. 18, (fractional) All (0.20 acres);

Sec. 31, Lots 1, 2, 3 and 4 (267.16 acres).

Containing 380.49 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 20 S., R. 20 W., Seward Meridian,

Sec. 1, (fractional) All (30.48 acres);

Sec. 3, (fractional) All (50.05 acres);

Sec. 4, Lots 1 and 2 (22.67 acres);

Sec. 5, (fractional) All (420.89);

Sec. 6, (fractional) All (523.07 acres);

Sec. 7, All (632.92 acres);

Sec. 8, (fractional) All (500.08 acres);

Sec. 9, Lots 1 and 2 (311.62 acres);

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Sec. 10, Lots 1 and 2 (526.40 acres);
Sec. 11, (fractional) All (394.58 acres);
Sec. 12, (fractional) All (635.46 acres);
Sec. 13, (fractional) All (464.73 acres);
Sec. 14, N1/2N1/2 (160 acres);
Sec. 15, N1/2N1/2 (fractional) (159.90 acres);
Sec. 16, N1/2N1/2, S1/2NW1/4 (fractional) (198.00
             acres);
Sec. 17, N1/2 (fractional) (292.22 acres);
Sec. 18, W1/2NW1/4, NW1/4SW1/4 (fractional) (114
             acres ??);
Sec. 23, E1/2SW1/4 (80.00 acres);
Sec. 24, (fractional) All (199.54 acres);
Sec. 25, Lots 1 and 2 (76.84 acres);
Sec. 26, E1/2, SE1/4NW1/4, SW1/4 (fractional)
             (360.92 acres);
Sec. 35, N1/2 (fractional) (288.30 acres);
Sec. 36, N1/2, NE1/4SW1/4, SE1/4 (fractional)
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Containing 6,861.72 acres, more or less, as shown on the plat of survey officially filed December 22, 1989, and supplemental plat of survey for Sec. 30, T. 20 S., R. 20 W., Seward Meridian, officially filed June 8, 1990.

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T. 20 S., R. 21 W., Seward Meridian,
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Sec. 1, (fractional) All (163.62 acres);
Sec. 2, Lots 1 and 2 (6.14 acres);
Sec. 11, Lots 1 and 2 (84.28 acres);
Sec. 12, Lots 1 and 2 (256.20);
Sec. 13, Lots 1 and 2 (256.63);
Sec. 14, (fractional) All (170.29 acres);
Sec. 24, (fractional) All (259.82 acres);
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(419.05 acres).

Sec. 25, (fractional) All (535.43 acres).

Containing 1,732.41 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 21 S., R. 20 W., Seward Meridian,

Sec. 1, N1/2N1/2 (fractional) (78 acres ??);

Sec. 2, N1/2NE1/4 (fractional) (80.00 acres).

Containing 158.00 acres, more or less, as shown on the plat of survey officially filed December 22, 1989.

Aggregating 9,165.94 acres, more or less.

AJV03a

T. 20 S., R. 18 W., Seward Meridian,

Sec. 19, (fractional) All (39.95 acres);

Sec. 20, (fractional) All (101.61 acres);

Sec. 28, (fractional) All (64.48 acres);

Sec. 29, Lots 1, 2, 3 and 4 (497.20 acres);

Sec. 30, Lots 1, 2, 3 and 4 (166.09 acres);

Sec. 31, Lots 1 and 2 (457.67 acres);

Sec. 32, Los 1, 2 and 3 (512.55 acres);

Sec. 33, Lots 2 and 4 (191.11 acres).

Containing 2,030.66 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 20 S., R. 19 W., Seward Meridian,

Sec. 24, (fractional) All (7.71 acres);

Sec. 25, (fractional) All (340.31 acres);

Sec. 26, Lots 1, 2, 3 and 4 (8.08 acres);

Sec. 36, (fractional) All (412.76 acres).

Containing 768.86 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 21 S., R. 18 W., Seward Meridian,

Sec. 4, (fractional) All (92.12 acres);

Sec. 5, Lots 1 and 2 (556.39 acres);

Sec. 6, (fractional) All (529.00 acres);

Sec. 7, (fractional) All (602.43 acres);

Sec. 8, Lots 1, 2 and 3 (313.20 acres);

Sec. 9, (fractional) All, excluding 14(c) claim [Randall, 27 acres] (7.65 acres);

Sec. 17, portion of Lot 1, more particularly described as follows:

Commencing at the monument set for the northwest corner of Section 6, Township 21 South, Range 18 West, Seward Meridian, proceed South a distance of 10,560, more or less, feet along the westerly boundaries of Sections 6 and 7 to the northwest protracted corner of Section 18 in common with the southwest protracted corner of Section 7;

THENCE, proceed East along the section line common to Sections 7 and 18 a distance of 4999 feet, more or less, to the protracted Section corner common to Section 7, 8, 17, and 18, said corner being the True Point of Beginning;

THENCE, continuing East a distance of 1320 feet along the north boundary of Lot 1 of Section 17;

THENCE, South a distance of 2640 feet; thence, West a distance of 1320 feet, more or less, to the westerly boundary of said Lot 1 of Section 17;

THENCE North a distance of 2640 feet, more or less, along the westerly boundary of said Lot 1 of Section 17 to the True Point of Beginning. The foregoing having an area of 80 acres, more or less. (80 acres)

Sec. 18, Lots 1, 2, 3 and 4 (428.54 acres);

Sec. 19, Lots 1, 2 and 3 (463.51 acres);

Sec. 30, Lots 1, 2, 3 and 4 (517.89 acres).

Containing 3,590.73 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 21 S., R. 19 W., Seward Meridian,

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Sec. 1, (fractional) All (632.44 acres);
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Sec. 2, Lots 1, 2, 3 and 4 (456.48 acres);

Sec. 3, (fractional) All (90.54 acres);

Sec. 10, (fractional) All (199.18 acres);

Sec. 11, (fractional) All (602.62 acres);

Sec. 12, Lots 1 to 10, (inclusive) (443.80 acres);

Sec. 13, Lots 1 to 12, (inclusive) (342.88 acres);

Sec. 14, E1/2 (fractional) (317 ??);

Sec. 24, (fractional) All (586.30 acres);

Sec. 25, NE1/4 (160 acres).

Containing 3,831.24 acres, more or less, as shown on the plat of survey officially filed December 22, 1989.

Aggregating 10,221.49 acres, more or less.

AJV07

T. 22 S., R. 17 W., Seward Meridian,

Sec. 10, (fractional) All (253.47 acres);

Sec. 15, Lots 1 and 2 (573.80 acres);

Sec. 16, Lots 1 and 2 (391.15 acres);

Sec. 21, (fractional) All (596.05 acres);

Sec. 22, All (640.00 acres).

Containing 2,454.47 acres, as shown on the plat of survey officially filed December 22, 1989.

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BOVLA

T. 22 S., R. 17 W., Seward Meridian,

Sec. 6, (fractional) All (60.20 acres).

Containing 60.20 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 22 S., R. 18 W., Seward Meridian,

Sec. 1, (fractional) All (635.60 acres);

Sec. 2, All (640.00 acres);

Sec. 11, All (640.00 acres);

Sec. 12, (fractional) All (543.22 acres);

Sec. 13, (fractional) All (449.50 acres);

Sec. 14, E1/2 (320.00 acres);

Sec. 23, E1/2 (320.00 acres);

Sec. 24, (fractional) All (452.91 acres);

Sec. 25, (fractional) All (432.80 acres);

Sec. 26, E1/2 (320.00 aces);

Sec. 35, E1/2 (320.00 aces);

Sec. 36, Lot 1 (518.26 acres).

Containing 5,592.29 acres, as shown on the plat of survey officially filed December 22, 1989.

T. 23 S., R. 18 W., Seward Meridian,

Sec. 1, W1/2 (320.00 acres);

Sec. 2, E1/2 (320.00 acres);

Sec. 11, E1/2 (fractional) (320.00 aces);

Sec. 12, W1/2 (320.00 acres);

Sec. 14, E1/2 (fractional) (311 acres ??);

Sec. 23, E1/2 (fractional) (57 acres ??).

Containing 1,648 acres, as shown on the plat of survey officially filed December 22, 1989.

Aggregating 7,300.49 acres.

Total 29,142.39 acres.

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Attachnent C

PARCEL REPORT

Parcel ID # Eastern half of AJV 08

Acreage:

Agency Sponsor:

ADNR

Location: Northeastern corner of Afognak Island; borders west side of west

Tonki Bay.

Landowner/Agent:

Afognak Joint Venture

Adjacent Land Management: Afognak Island State Park

& Natives of Kodiak

Parcel Description

This parcel is the eastern half of parcel AJV 08 (13,400 ac) that was evaluated as part of the Comprehensive Habitat Protection Process by the Habitat Work Group. The steep eastern side of the parcel forms the southwestern shoreline of West Tonki Bay. The eastern boundary is entirely uplands and the southern tip borders Izhut Bay. On the north and southeast the parcel is contiguous with Afognak State Park.

The parcel is dominated by spruce and wet meadows. It also contains the headwaters of two anadromous streams that drain into Izhut Bay. The area provides habitat for elk, deer and brown bear.

Acquisition of this parcel would create a land bridge that connects the two disjunct pieces of Afognak State Park. This bridge would facilitate management of the park.

1. 02/04

PARCEL REPORT

Parcel ID # Coastal fringe of AJV 01

Acreage:

Agency Sponsor:

ADNR

Location: Northern portion of Afognak Island contiguous with Shuyak Strait.

Landowner/Agent:

Afognak Joint Venture

Adjacent Land Management: USFWS & Ouzinkie Native Corporation

Parcel Description

This parcel is the coastal fringe of parcel AJV 01 (27,100 ac) that was evaluated as part of the Comprehensive Habitat Protection Process by the Habitat Work Group. On the north, the parcel forms the southern boundary of Shuyak Strait; on the east, continues south to include Big Waterfall and Little Waterfall Bays; on the west, it forms the eastern side of Bluefox Bay. Most of the interior boundary borders lands owned by the Ouzinkie Native Corporation. The southwestern corner abuts the Kodiak National Wildlife Refuge managed by the USFWS. Across Shuyak Strait is Shuyak Island most of which is now Shuyak Island State Park.

The interior of the parcel is dominated by a spruce forest with numerous small lakes and ponds. The mouths and the seaward portions of ten anadromous streams are contained in the proposed acquisition. The remainder of their drainage basins are within privately-owned uplands. Habitats of resources injured by the Exxon Valdez oil spill, on this parcel, include:

Pink salmon Dolly Varden Pacific herring Bald eagle Black oystercatcher River otter

Harbor seal Harlequin duck Intertidal/subtidal Marbled murrelet Pigeon guillemot Sea otter

Acquisition of this parcel would allow for management of a coastal fringe that would buffer shoreline and nearshore habitats from timber harvest and disturbance thereby facilitating recovery of injured resources dependent upon coastal and nearshore habitats. Acquisition would also provide enhanced opportunities for sport fishing and marine oriented recreation, e.g., sea kayaking. Together with Shuyak Island State Park, acquisition of this parcel would allow for protection/management of the entire shoreline of Shuyak Strait which is a highly productive and biotically diverse waterbody.

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #1 AJV032	PARCEL NAME: Laura/Paul's Lake Subunit								
'LANDOWNER: Afognak Joint Venture	MONDAGE TOJOTO	SCORE: 50.0							
TO SECURITION OF THE PROPERTY									
INJURED RESOURCE / SERVICE	POTENTIAL FOR BENEFIT	COMMENT							
Pink Salmon	High	Three documented spawning streams. Fish ladder between Laura Lake and Paul's Lake. Nearshore feeding.							
Sockeye Salmon	Moderate	Sockeye in Laura/Paul's Lake system (over 8 miles of mainstem). Nearshore feeding.							
Cutthroat Trout	None	•							
Dolly Varden	Low	One documented stream.							
Pacific Herring	Moderate	Probable spawning; feeding in nearshore waters.							
Bald Eagle	Moderate	Eighteen documented nest sites.							
Black Oystercatcher	High ·	Documented 40 breeding birds at seven seabird colony locations; feeding.							
Common Murre	Low	Offshore wintering and feeding.							
Harbor Seal	High	Two documented haulouts; nearshore feeding.							
Harlequin Duck	High	Documented feeding; probable nesting; molting on nestshore rocks and islets. USFWS surveys documented in excess of 85 birds in 1992.							
Intertidal/subtidal biota	High	Rocky, crenulated shoreline; numerous offshore rocks and islets; laguous; kelp beds.							

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL#: AJV03a	PARCEL NAME: Laura/Paul's Lake Subunit					
Marbled Murrelet	High	Documented feeding in nearshore high confidence of nesting.				
Pigeon Guillemot	High	Documented 133 breeding birds at 18 colony locations; offshore feeding.				
River Otter	Moderate	Feeding and known latrine sites; possible denning.				
Sea Otter	High	Documented pupping and feeding.				
Recreation/Tourism	Moderate	Laura/Paul's Lake area used for hunting, fishing, float plane access. Guiding use.				
Wilderness	High	Little evidence of human development.				
Cultural Resources	Hìgh	Thirteen historic and prehistoric sites located within parcel boundaries; seven SHPO important sites.				
Subsistence	Low	Remoteness of parcel limits subsistence use.				

ECOLOGICAL SIGNIFICANCE: Anadromous fish streams also support populations of coho salmon, rainbow trout and steelhead. Laura/Paul's Lake system supports extensive tributary rearing for anadromous fish. Elk, deer, brown bear, red fox, beaver, pine marten on parcel. Concentrated waterfowl use offshore.

ADJACENT LAND MANAGEMENT: Akhlok-Kaguyak/Old Harbor Joint Venture.

HABITAT PROTECTION PARCEL'ANALYSIS

PARCEL #: AJV032 PARCEL NAME: Laura/Paul's Lake Subunit

ADDITIONAL CONSIDERATIONS: Exxon Valdez Trustee Council has acquired adjacent Seal Bay parcel. Twenty-four small coho streams on parcel. Possible road construction associated with timber harvest would be adjacent to Paul/Laura Lakes area. If AJV03b is acquired than the ranking criteria #3 and #7 would be changed to Y, resulting in a parcel score of 75. Parcel is viewed as functioning as an intact ecological unit even though the upper portions of the Laura/Paul Lakes stream system (Gretchen Lake) is on private land and may be subject to development impacts. The edge effect associated with the southwestern boundary of this parcel is considered significant for potential impacts to marbled murrelets and fishery resources.

PROTECTION OBJECTIVE: 1) Maintain water quality and riparian habitats for anadromous fish, river otter, and harlequin duck; 2) maintain nesting and perching opportunities for bald eagle, marbled murrelet and pigeon guillemot; 3) minimize disturbance to nearshore and intertidal habitat usc.

¹RANKING CRITERIA									
1	2	3	4	5	6	7	8	TOTAL	
10H, 5M	Y	N	Y	N	Y	N	Y	50	

See Additional Considerations