

**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 review and 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, certain lands located within the Chugach National Forest in the Prince William Sound region of Alaska ("Lands"), as described in the July 2, 1997 Resolution of the Council ("Resolution").

2. Pursuant to the Resolution, the Council authorized funding for an offer to purchase a combination of surface estate fee simple and conservation easement interests in the Lands, subject to certain conditions and terms. One such condition is that no development is to take place on the Lands prior to closing.

3. Eyak has requested a specific and limited waiver from the development restriction contained in the Resolution due to Cordova Electric Cooperative's request to permit the removal of timber from the Lands in the vicinity of the Humpback Creek hydroelectric facility (the "Site"). The timber will be used to construct a dam to replace the existing wooden impoundment dam, originally constructed in 1909. The existing dam sustained significant damage during a recent flood and heavy rains. The hydroelectric facility generates electric power for the residents of Cordova.

4. The replacement dam will be constructed approximately thirty to forty feet downstream from the existing dam. A skyline yarding system will be used to yard logs from the north side of the Humpback Creek drainage, and a double drum yarder will be placed by

helicopter on a hill approximately 100 feet above the site on the south side. Logs will be fully suspended and lowered to the dam site. Some clearing of second growth hemlock will occur at the Site. Additionally, it is expected that 160 logs of twenty and thirty feet in length (approximately 80 to 100 trees) will be needed to construct a replacement dam, which will require the harvesting of an area two to three acres in size on the north side of the Site. To mitigate potential effects to resources, no timber harvest will occur within a minimum of one hundred feet of Humpback Creek; access by personnel and equipment will be along the high water edge of the creek in order to avoid disturbance of intertidal gravels; and trees containing nests will be left undisturbed.

5. The Site is in a remote location. The harvesting of timber from other lands for construction of this replacement dam is not feasible because hauling timber to the Site appears to be prohibitively expensive. In addition, hauling activities may cause greater adverse effects to the resources located at the Site than removing the timber from the Site.

6. The Alaska Division of Emergency Services has approved the proposed replacement of the dam and has authorized funding to be used by October 1, 1998.

7. United States Forest Service personnel have examined the site and determined that under the terms and conditions provided herein, the proposed activity will not affect the recovery of the *Exxon Valdez* oil spill injured resources.

THEREFORE, we resolve to amend the Resolution as follows:

(A) the offer to purchase the Lands and any agreements to acquire the Lands shall contain the following terms and conditions:

1) prohibit development on the Lands prior to closing, with the exception of the harvesting of approximately 80-100 trees from the Site necessary for the construction of a replacement dam;

2) Eyak shall agree to permit a representative of the Forest Service and the Alaska Department of Fish and Game ("ADF&G") to be present during the harvesting of timber at the Site;

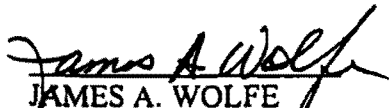
3) Eyak shall require the implementation of the mitigation measures identified in this resolution and any reasonable measures the Forest Service or ADF&G may request while present at the Site;

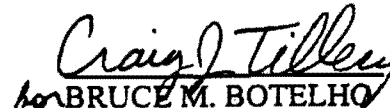
4) Eyak shall also agree to replant trees in the area where timber was removed from the Site if natural regeneration does not occur within a seven year period and when requested to do so by the Forest Service;

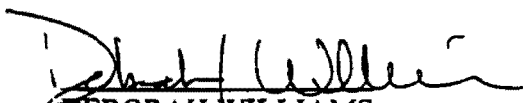
5) the purchase price for the acquisition of the Lands shall be reduced by the value of the timber removed from the Site as may be determined by any compensation Eyak receives for the timber from the Cordova Electric Cooperative in the form of cash and/or credit toward its utility billing.


All other terms and conditions of the Resolution are unaffected by this amendment and remain in effect.


APPROVED by the Council at its meeting of September 4, 1998, held in Anchorage and Juneau, Alaska, as affirmed by our signatures affixed below.



JAMES A. WOLFE
Trustee Representative
USDA Forest Service


for BRUCE M. BOTELHO
Attorney General
State of Alaska


DEBORAH WILLIAMS
Special Assistant to the
Secretary for Alaska
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STEVEN PENNOYER
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FRANK RUE
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MICHELE BROWN
Commissioner
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Environmental Conservation