

RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

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

1. The Tatitlek Corporation ("Tatitlek"), an Alaska Native Village Corporation, either owns or is entitled to receive title to the surface estate of certain lands and has expressed a willingness to sell land or interests in lands located in central Prince William Sound, consisting of approximately 66,600 acres. These lands were selected and conveyed, or are to be conveyed, pursuant to the Alaska Native Claims Settlement Act ("ANCSA"). The subsurface rights associated with these lands are held by Chugach Alaska Corporation. By resolution dated August 29, 1996 the Trustee Council agreed to purchase various interests in the 66,600 acres for a total of \$33,000,000 if such an offer was made by Tatitlek. On October 15, 1996, Tatitlek made an offer to convey to the Trustee Council the lands and interest in lands described in the resolution dated August 29, 1996 as well as the following interests in land:

- (a) a timber-only conservation easement on the Sunny Bay parcel; and
- (b) a moratorium on timber harvesting on any Tatitlek lands by Citifor/SFP until May 1, 1997;

for a total of \$33,800,000.

2. The timber-only conservation easement on approximately 2445 acres of land at Sunny Bay to the United States or the State of Alaska is offered as part of the Trustee Council's program for restoration of the natural resources and services that were injured or reduced as a result of the *Exxon Valdez* Oil Spill ("EVOS"). The land is specifically described in Exhibit A ("Lands");

3. The Lands are within the oil spill area as defined by the Trustee Council in the Final Restoration Plan;

4. The Lands include important habitat for various species of fish and wildlife for which significant injury resulting from the spill has been documented. Harlequin ducks, bald eagles, black oystercatchers, marbled murrelets, pigeon guillemots -- all species that suffered injury from the oil spill -- utilize these parcels (depending on the species), for feeding, nesting, loafing, molting, and wintering. Harbor seal haul outs are located along the shoreline nearby and important intertidal and subtidal biota are found in substantial quantity along the shoreline. The Lands provide concentration areas for feeding and shelter for river otters and include important feeding and pupping habitat for sea otters. Pink and chum salmon streams are located on the lands. The Lands in general have historically supported high value, wilderness-based subsistence food gathering and recreation uses including hunting, boating and fishing. The area has high scenic values and cultural resources;

5. 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 Mammal Protection Act, are

intended, under normal circumstances, to protect resources from serious adverse effects from logging and other developmental activities on private land. However, restoration, replacement, and enhancement of natural resources, and acquisition of equivalent resources and services injured, lost or reduced as a result of the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, biologists, other 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 those provided by existing law and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

6. There is widespread public support for the acquisition of the Lands;

7. The purchase of a timber-only conservation easement in the Lands offered by Tatitlek is an appropriate means to restore a portion of the injured resources and reduced services in the oil spill area. The acquisition enhances the larger Tatitlek acquisition contemplated in the August 29, 1996 resolution. Acquisition of the timber only conservation easement in the Lands is consistent with the Restoration Plan and Final Environmental Impact Statement;

8. A resolution was passed by the Trustee Council on December 2, 1994 authorizing funding for an offer to purchase a combination of fee simple and conservation easement interests in certain lands, including the Lands, owned by Tatitlek;

9. An appraisal approved by the lead federal review appraiser and completed for the Trustee Council estimated that the fair market value of timber on the Lands is \$1,940,000;

10. Tatitlek has offered to sell a timber-only conservation easement on the Lands and a moratorium on timber harvesting on any Tatitlek lands by Citifor/SFP until May 1, 1997, for \$800,000. The Trustee Council hereby resolves to provide funds as stated herein to purchase the Lands and moratorium from Tatitlek, subject to the terms and conditions stated below. This acquisition is an addition to the acquisition approved in the August 29, 1996 resolution and may proceed only if the acquisition approved in the August 29, 1996 resolution proceeds. The funds will be paid from joint trust funds at the time of the final two payments contemplated in the August 29, 1996 resolution as follows:

October 1, 1997	\$400,000
for a total payment of	\$11,005,400
October 1, 1998	\$400,000
for a total payment of	\$11,005,400

The total amount authorized to be expended is \$800,000. Given the substantial benefits for the restoration of the injured natural resources and related services to be achieved by this acquisition; the scope and pervasiveness of the EVOS; the need for protection and restoration of the Prince William Sound ecosystem in general, and this portion of the Sound; and the priority of this acquisition to other expenditures of the settlement funds for restoration activities; and the donation of interests by Tatitlek, the Trustee Council finds this negotiated price to be reasonable.

THEREFORE, we resolve to provide the funds for the United States, acting through the Forest Service, and for the State of Alaska, to acquire a timber-only conservation easement in the Lands, as described in Exhibit A, pursuant to the following conditions:

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

(b) disbursement of these funds by the District Court to the United States and/or to the State for the purpose of this acquisition;

(c) completion of a satisfactory title search ensuring that Tatitlek is able to convey title in a manner that complies with the United States Department of Justice title standards and is satisfactory to the Alaska Department of Law;

(d) no timber harvest on the Lands between the date of this resolution and the time of closing;

(e) the timber-only conservation easement on the Lands will be conveyed at the time of closing for the interests to be conveyed pursuant to the August 29, 1996 resolution;

(f) the relinquishment by Tatitlek of its remaining land selections and lands prioritized for conveyance within the *Exxon Valdez* oil spill area as that area is defined by the Trustee Council and Tatitlek's agreement that it will not take title to any additional lands within said area pursuant to ANCSA except for selections in the Taznuna Valley;

(g) completion of a purchase agreement(s) and all other documents necessary for conveyance of the interests in the Lands to the United States or the State in the form and

substance satisfactory to the United States Department of Justice and the Alaska Department of Law.

By unanimous consent and upon execution of the purchase agreement(s) and written notice from the State of Alaska, the United States, and the Executive Director of the EVOS Restoration Program that the terms and conditions set forth herein and in the purchase agreement(s) 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 from the District Court Registry account the sum of \$400,000 for payment on October 1, 1997 and \$400,000 for payment on October 1, 1998. These amounts represent the only amounts due under this resolution to Tatitlek from the EVOS joint settlement funds in the District Court Registry and no additional amounts are herein authorized to be paid to Tatitlek from such joint funds.

Dated this _____ day of _____, 1996.

James A. Wolfe
for PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service

Craig J. Tillery
for BRUCE M. BOTELHO
Attorney General
State of Alaska

GEORGE T. FRAMPTON Jr.
Assistant Secretary for Fish,
Wildlife and Parks

Steven Pennoyer
STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

Frank Rue
for FRANK RUE
Commissioner
Alaska Department of Fish
and Game

Michelle Brown
MICHELLE BROWN
Commissioner
Alaska Department of
Environmental Conservation