

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 Eyak Corporation ("Eyak"), owns the surface estate of, or has valid prioritized selections on, lands in the Chugach National Forest ("Forest"), which include parcels known as Power Creek, Eyak River, and Eyak Lake (together "the Core Lands"), consisting of approximately 13,700, and parcels known as Orca Narrows, East Simpson, and Rude River, consisting of approximately 14,800 acres (together "Orca Revised"). Sherstone, Inc. ("Sherstone") is a wholly-owned subsidiary of Eyak which holds timber rights to certain of these lands. These lands were selected and conveyed pursuant to the Alaska Native Claims Settlement Act. The subsurface rights associated with these lands are held by Chugach Incorporated.

2. These lands are within the oil spill area as defined by the Trustee Council in the Final Restoration Plan.

3. Eyak and Sherstone are desirous of selling certain of these lands or interests in these lands including commercial timber rights to the United States as part of the Trustee Council's program for restoration of the natural resources and services that were injured by the Exxon Valdez Oil Spill ("EVOS"). Eyak and Sherstone prepared and submitted an offer on December 2, 1994, to the Trustee Council proposing that the United States purchase certain interests in the Core Lands and Orca Revised ("December 2 Offer").

4. The Core Lands and Orca Revised include important habitat for various species of fish and wildlife for which significant injury resulting from the spill has been documented through the Trustee Council's habitat acquisition analysis. This analysis has indicated that these lands have high value for the restoration of such injured natural resources as pink salmon, Pacific herring, harbor seals, harlequin ducks, bald eagles, the intertidal/subtidal zone, and archeological and cultural resources. This analysis has also indicated that these lands have high value for the restoration of injured services that rely on these natural resources, including commercial fishing, wilderness and subsistence. In addition, the lands have significant restoration values for such injured natural resources as Dolly Varden, black oystercatchers, common murre, marbled murrelets, pigeon guillemots, and river and sea otters, as well as recreation and tourism, natural resource services that were also injured as a result of the oil spill. Restoration of the injured species and the related natural resource services will benefit from acquisition and protection of this important habitat through the elimination of the activities and disturbances which may adversely affect their recovery.

5. The Core Lands and Orca Revised are located wholly within the boundaries of the Forest and their protection will ensure the preservation of a significant portion of one of the nation's most productive and unique ecosystems.

6. Existing laws and regulations, including but not limited to 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 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 area to levels above and beyond that provided by existing laws and regulations will likely have a beneficial effect on recovery of injured resources and lost or reduced services provided by these resources.

7. There is widespread public support for the acquisition of the Core Lands and Orca Revised.

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

9. It is ordinarily the Federal Government's practice to pay fair market value for the land interests it acquires. However, given the limited availability of settlement funds to complete acquisitions of land interests and the need to acquire such interests promptly to prevent any potential degradation of the habitat by development, we believe it is appropriate in this case to pay more than fair market value for these particular interests.

10. This offer represents the lowest price at which these interests in the Core Lands and Orca Revised can be acquired because of the installment payment schedule provided for in the Exxon settlement agreement and resulting limited availability of funds. This offer therefore reflects a value that provides Eyak and Sherstone a benefit for selling its interests in these lands over the course of several years and yet provides for protection under the Trustee Council's habitat protection program.

11. This offer 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; and the relationship of that portion of the overall price that is in excess of market value to earlier offers made pursuant to the habitat protection program; and the availability of settlement funds for completing acquisitions.

THEREFORE, we resolve to authorize funding for an offer to purchase a combination of fee simple and conservation easements in certain of these lands, as detailed below, and to provide the funds, if the offer is accepted, in the amounts set forth below for the United States, acting through the Forest Service, to enter into appropriate agreements in conformity with applicable Federal and State law to purchase and acquire these interests in the Lands. Such agreements shall contain and are subject to the following conditions and terms:

(a) The Trustee Council authorizes an offer to purchase the Core Lands in fee simple and certain interests in the Orca Revised lands. The purchase price for the interests in the Orca Revised

and the Core Lands shall be the final approved appraised fair market value of the interests in the Orca Revised and the Core Lands plus twenty percent (20%) of the final approved appraised fair market value of the Orca Revised and Core Lands, so long as the total does not exceed \$50,000,000, and subject to the terms detailed below ("Purchase Price"). The final approved appraised fair market value shall be determined through the Trustee Council's 12-Step Appraisal Process. Acceptance of this offer is subject to the preparation of conservation easements that shall allow for development on the Orca Revised lands only to the extent compatible with the restoration of injured natural resources and services that Eyak and Sherstone shall convey, in perpetuity, to the United States, which shall include the right to public access, except for negotiated exceptions, and be subject to additional terms and conditions as negotiated and determined by the parties and approved by the Trustee Council. In addition, Eyak and Sherstone shall grant, at no cost, to the United States an easement, as described as a moratorium on the harvest of timber on remaining Eyak lands in the December 2 Offer. This offer is the preferred offer of the Trustee Council.

(b) In the alternative to the offer detailed in paragraph (a) the Trustee Council conditionally and conceptually accepts Eyak and Sherstone's offer to sell fee simple interest in the Core Lands as described in the December 2 Offer. The purchase price for the fee interests in the Core Lands shall be the final approved appraised fair market value of the interests in the Core Lands plus twenty percent (20%) of the final approved appraised fair market value of

the Core Lands, so long as this price does not exceed \$21,000,000 ("Alternative Purchase Price"). The final approved appraised fair market value shall be determined through the Trustee Council's 12-Step Appraisal Process.

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

(d) disbursement of these funds by the District Court;

(e) completion of a satisfactory title search;

(f) no development is to take place on the Core Lands, Orca Revised, or lands subject to the timber moratorium prior to closing;

(g) approval by the shareholders of Eyak and Sherstone for the sale of the interests in the Core Lands Tracts and Orca Revised.

(h) a conservation easement in the State of Alaska authorizing the State to enforce in a court of competent jurisdiction the restoration and conservation purposes for which this acquisition is made as set forth in the Resolution and in any implementing purchase agreements. Language to implement this intent shall be developed in form and substance that is satisfactory to the U.S. Department of Justice and the Alaska Department of Law.

(i) Congressional review to the extent required with respect to acquisitions by the Forest Service pursuant to House Report No. 102-116;

(j) a satisfactory hazardous substances survey is completed;

(k) satisfactory compliance with the National Environmental Policy Act and other applicable federal law;

By unanimous consent, and upon execution of the purchase agreements and written notice from the Forest Service and the State of Alaska 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 as follows:

(1) for withdrawal of the sum of twenty percent (20%) of the Purchase Price or Alternative Purchase Price from the District Court Registry account established as a result of the Governments' settlement to be paid at the initial closing;

(2) for withdrawal of the sum of five percent (5%) of the Purchase Price or Alternative Purchase Price to be paid at the subsequent closing by September 30, 1996;

(3) for withdrawal of the sum of fifteen percent (15%) of the Purchase Price or Alternative Purchase Price to be paid at the subsequent closing by September 30, 1997;

(4) for withdrawal of the sum of 15% of the Purchase Price or Alternative Purchase Price to be paid at the subsequent closing by September 30, 1998;

(5) for withdrawal of the sum of 15% of the Purchase Price or Alternative Purchase Price to be paid at the subsequent closing by September 30, 1999;

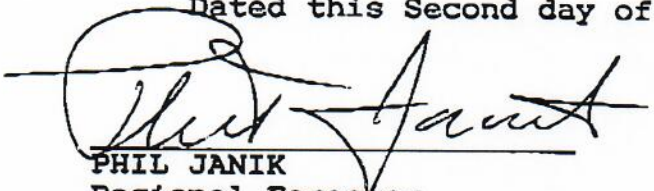
(6) for withdrawal of the sum of 15% of the Purchase Price or Alternative Purchase Price to be paid at the subsequent closing by September 30, 2000;

(7) for withdrawal of the sum of 15% of the Purchase Price or

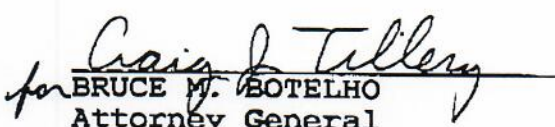
Alternative Purchase Price to be paid at the subsequent closing by September 30, 2001;

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

Dated this Second day of December, 1994, at Juneau, Alaska.



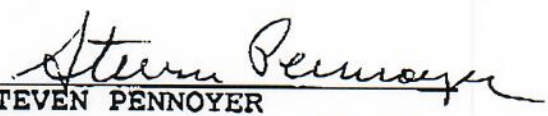
PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service



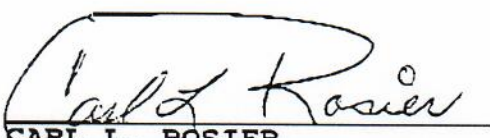
for BRUCE M. BOTELHO
Attorney General
State of Alaska



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



STEVEN PENNOYER
Director, Alaska Region
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CARL L. ROSIER
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JOHN A. SANDOR
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Environmental Conservation