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BRUCE M. BOTELHO
ATTORNEY GENERAL

CRAIG J. TILLERY
Assistant Attorney General
State of Alaska
Department of Law
1031 West Fourth Avenue, Suite 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274
Facsimile: (907) 278-7022

Attorneys for the State of Alaska

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

STATE OF ALASKA,

Plaintiff,

v.

EXXON CORPORATION, and EXXON)
SHIPPING COMPANY,

Defendants.

No. A91-083 CIV (HRH)

**THIRD JOINT NOTICE OF
EXPENDITURES FROM
INVESTMENT FUND**

The State of Alaska and the United States (the "Governments") jointly provide notice of the expenditure of \$456,000 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund"). The Governments' natural resource trustee agencies will use these funds for purposes consistent with the Memorandum of

1 Agreement and Consent Decree entered by this Court in *United States v. State of*
2 *Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991 ("MOA").

3
4 On September 25, 1991 the State of Alaska and the United States
5 settled their claims against the Exxon Corporation, Exxon Shipping Company,
6 Exxon Pipeline Company, and the T/V EXXON VALDEZ arising from the EXXON
7 VALDEZ oil spill. All funds resulting from these settlements were subsequently
8 ordered by this Court to be placed in an interest-bearing account in the Court
9 Registry Investment System ("CRIS") administered through the United States
10 District Court for the Southern District of Texas.
11

12 On June 7, 2000 this Court entered its Third Amended Order for
13 Deposit and Transfer of Settlement Proceeds ("Third Amended Order"). The Third
14 Amended Order allows the Governments the option of investing the money in an
15 account outside the United States Treasury. On September 29, 2000, upon
16 application by the Governments, the Court entered an Order Re: Transfer of Funds
17 from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment
18 Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing
19 transfer of settlement proceeds to an account within the State. On October 5, 2000
20 all funds and securities were transferred from the CRIS to the Investment Fund. The
21 Third Amended Order further allows the Governments to establish separate sub-
22 accounts within the primary account "as the Trustee Council determines
23 appropriate." On October 1, 2002 three sub-accounts were created in the Investment
24
25
26

1 Fund, to wit: the Research Investment Sub-Account, the Habitat Investment Sub-
2 Account, and the Koniag Investment Sub-Account. These sub-accounts were
3 established to carry out the Trustee Council's decision in its Resolution of March 1,
4 1999 to separately manage the remaining assets of the Joint Trust Funds for the
5 specific purposes of funding a long term research and monitoring program, the
6 acquisition of lands along the Karluk River and the establishment of a fund to
7 purchase small parcels of land that may become available in the future.
8

9
10 Paragraph 27 of the Third Amended Order provides that "funds in an
11 Investment Fund shall remain on deposit in that Fund until such time as the Exxon
12 Valdez Oil Spill Trustee Council unanimously resolve to expend all or part of the
13 funds." The funds may then be expended, for purposes consistent with the MOA,
14 upon the joint notification of the Governments to the Investment Fund and the
15 Court.¹ The notification is to inform the Court of the proposed uses of the funds in
16 the same manner and to the same extent as was the Governments' practice when the
17 funds were in the registry of the Court.
18

19
20 The Governments provide notice of this third expenditure from the
21 Investment Fund to fund: (1) acquisition of small parcels KEN 294, PWS 06, KEN
22

23
24
25 ¹ A copy of the notice provided to the Investment Fund pursuant to
26 paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement
Proceeds is appended to this Notice as Attachment A, pp. 1 - 2.

309 and KAP 2042² and (2) payment to Koniag Inc. ("Koniag") for a non-development easement on lands it owns on Kodiak, including lands along the Karluk River.³ Of the \$456,000 that is the subject of this notice, \$165,000 will be provided to the United States and \$291,000 will be provided to the State of Alaska.

In addition, the Governments wish to notify the Court that they have entered into an agreement with Koniag for the purchase of interests in lands on Kodiak Island, including lands along the Karluk River. Under the terms of the Purchase Agreement the Governments will place \$29,550,000 in a separately managed sub-account of the Investment Fund. The money in the sub-account will be used to make an annual payments, beginning in October of 2003, for a non-development easement on the lands. At any time between December 15, 2012 and

² The resolutions evidencing the Trustee Council's approval for the purchase of three of these parcels appeared in earlier court filings as follows: PWS 06 -- First Joint Notice of Expenditures from Investment Fund at Attachment B, pp. 16 – 19; KEN 309 -- Eleventh Joint Notice of Expenditures from Settlement Account Monies Previously Disbursed at Attachment B, pp. 25 – 34; KAP 2042 -- Fourth Joint Notice of Expenditures from Settlement Account Monies Previously Disbursed at Attachment A, pp. 7 – 12. The resolution evidencing the Trustee Council's approval for the purchase of parcel KEN 294 is attached at Attachment A, pp. 3-11. The certificate of the Executive Director of the Trustee Council that all terms and conditions in the resolutions have been met may be found at Attachment A, p. 12.

³ The resolution evidencing the Trustee Council's approval for the purchase of this easement appeared as part of the Sixth Joint Notice of Expenditures from Settlement Account Monies Previously Disbursed at Attachment A, pp. 32-43. The certification of the Executive Director that the terms and conditions of that resolution have been met may be found at Attachment A, p. 13.

1
2 December 15, 2022 Koniag may elect to take the remaining money in the sub-
3 account, including earnings, in exchange for conveying fee title to the land.⁴ At any
4 time after December 15, 2012 Koniag may elect to terminate the agreement.

5 A complete summary of the Council's activities since approval of the
6 settlement was appended to our Second Application, filed January 19, 1993, as
7 Attachment B, and interim updates of activities appeared as Attachments to each of
8 the Governments' Third, Fourth, Fifth, Sixth, Eighth, Ninth, Tenth, Eleventh,
9 Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth
10 through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth
11 applications for disbursement and the Fifth through Seventh and Tenth through
12 Thirteenth Joint Notices of Expenditure From Settlement Account Monies
13 Previously Disbursed, and the First and Second Joint Notice of Expenditures From
14 Investment Fund. Since the last summary provided to the Court, the Trustee Council
15 has not met.
16
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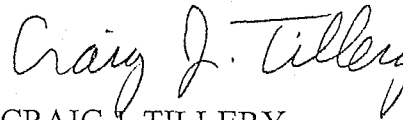
24 ⁴ The resolution evidencing the Trustee Council's approval for this
25 acquisition appeared as part of the Sixth Joint Notice of Expenditures From
26 Settlement Account Monies Previously Disbursed at Attachment A, pp. 32-43.

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

1
2 RESPECTFULLY SUBMITTED this 11th day of October, 2002 at
3 Anchorage, Alaska.

4 FOR THE STATE OF ALASKA
5 BRUCE M. BOTELHO
6 ATTORNEY GENERAL

7 By:

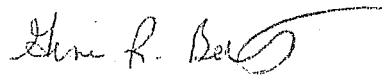


8 CRAIG J. TILLERY
9 Assistant Attorney General
10 State of Alaska
11 Department of Law
12 1031 West Fourth Avenue, Suite 200
13 Anchorage, Alaska 99501-1994
14 Telephone: (907) 269-5274
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16 FOR THE UNITED STATES OF AMERICA
17 THOMAS L. SANSONETTI
18 Assistant Attorney General
19 Environment & Natural Resources Division

20 WILLIAM D. BRIGHTON, Asst. Chief
21 Environmental Enforcement Section
22 Environment & Natural Resources Division
23 U.S. Department of Justice
24 Washington, D.C. 20530

25 By:



26 REGINA R. BELT
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
(907) 271-3456

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OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
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ANCHORAGE, ALASKA 99501
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the ___ day of
October, 2002, a copy of the foregoing
document, attachments, and proposed order
was served by U.S. mail, first class,
postage prepaid, to the following:

Regina R. Belt
James F. Neal
Douglas J. Serdahely
Patrick Lynch
John F. Clough III

Heila Zuni

October 11, 2002
Date

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5274
FAX: (907)278-7022

October 10, 2002

Lee Livermore
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$456,000 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991. These joint trust funds are currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$291,000
Account: State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 22177

United States

Amount: \$165,000
Beneficiary ACE 30399194
account: 14X5198
name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

ATTACHMENT A
PAGE 1 OF 13

Beneficiary

account: 14010001
name: Department of the Interior
Financial Management Services National Business Center

Beneficiary Bank

account: 021030004
name: Treasury, NYC

OBI Text

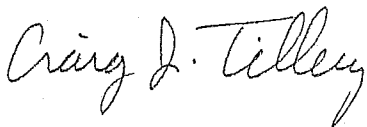
Natural Resource Damage Assessment Restoration Fund 14X5198
EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference

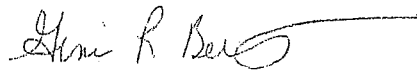
A91-082Civil

The transfer should take place on Tuesday, October 15, 2002 or as soon thereafter as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,



Craig J. Tillery
Assistant Attorney General
State of Alaska



Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources
Division
U.S. Department of Justice
United States of America

ACE 30399195

ATTACHMENT 1A
PAGE 2 OF 13

**RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KEN 294**

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. The Conservation Fund has purchased the Elliott small parcel, KEN 294, in anticipation that it will sell the parcel to the State of Alaska for \$78,000;
2. An appraisal of the parcel approved by the state review appraiser, determined that the fair market value of the parcel is \$78,000;
3. As set forth in Attachment A, Restoration Benefits Report for KEN 294, 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. Acquisition of this small parcel will assure protection of approximately 19.84 acres including approximately 1,282 feet of linear shoreline along the Anchor River. The parcel contains riparian and upland habitats of varying slope that support vegetative species such as, willow, alder, spruce, birch and cottonwood trees. These terrestrial habitats provide structure to the riverbank and cover for the river, thereby protecting streambed substrates and the hydrological properties most important to high quality fish habitat. The river corridor in this area provides habitat essential to the production of Pacific salmon, steelhead trout and anadromous Dolly Varden. This section is particularly important to rearing juvenile fish of all species throughout the year, and over wintering adult steelhead trout and Dolly Varden, as well as spawning chinook salmon. This area also serves as a major migratory corridor each year for thousands of adults of all species attempting to reach upstream spawning grounds. In sum, this parcel is considered to possess fish habitat of exceptional quality important to the life cycle requirements of all fish species indigenous to the Anchor River.
4. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act,

ATTACHMENT A

Resolution 01-10

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 *Exxon Valdez* oil spill ("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;

5. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

6. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan;

7. 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 purchase all the seller's rights and interests in the small parcel KEN 294 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 seventy-eight thousand dollars (\$78,000) for small parcel KEN 294;

(b) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by September 1, 2002;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of the proposed expenditure with the United States District Court for the District of Alaska and with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund"), and transfer of the necessary monies from the Investment Fund to the State of Alaska Department of Natural Resources;

(d) a title search satisfactory to the State of Alaska and the United States is completed, 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 State of Alaska and the United States prior to purchase;

(f) a hazardous materials survey satisfactory to the State of Alaska and United States is completed;

(g) compliance with the National Environmental Policy Act; and

(h) a conservation easement on parcel KEN 294 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law.

It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prefill 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 and the Restoration Plan as approved by the Trustee Council.

By unanimous consent, following execution of the purchase agreement between the seller and the State of Alaska and written notice from the Executive Director that the terms and conditions set

ATTACHMENT 17

3

PAGE 5 OF 12

Resolution 01-10

ACE 30399198

forth herein and in the purchase agreement have been satisfied, 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 take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

ACE 30399199

ATTACHMENT A

Resolution 01-10

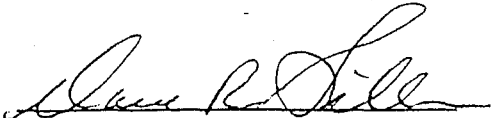
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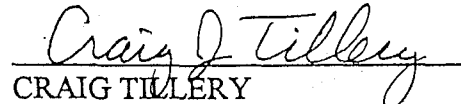
PAGE 6

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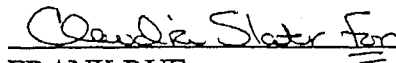
Approved by the Council at its meeting of May 3, 2001 held in Juneau and Anchorage, Alaska, as affirmed by our signatures affixed below:

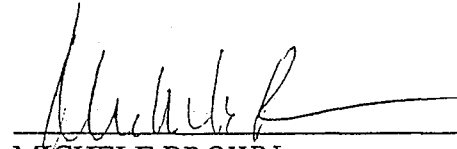

DAVE GIBBONS
Supervisor, Chugach National Forest
USDA Forest Service


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DAVID B. ALLEN
Alaska Regional Director,
U.S. Fish and Wildlife Service
U.S. Department of the Interior


JAMES BALSIGER
Director, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

Attachments:

Attachment A - Restoration Benefits Report
Attachment B - Vicinity Map

ACE 30399200

**Attachment A: Benefits Report
KEN 294, Elliott Parcel**

Acreage: 19.84 acres

Sponsor: ADF&G

Appraised Value: \$78,000

Location: The parcel is located at Mile 160 of the Sterling Highway, approximately 3 miles south of Anchor Point, Alaska and is intersected by the Anchor River.

Parcel Description. The parcel is mostly level with the Anchor River bisecting it in a generally east west direction. The parcel contains riparian and upland habitats of varying slope that support vegetative species such as, willow, alder, spruce, birch and cottonwood trees. Natural drainages meander through the parcel and keep some areas relatively wet, providing evidence that some of these areas are likely locations of former riverbed.

Restoration Benefits. These terrestrial habitats provide structure to the riverbank and cover for the river, thereby protecting streambed substrates and the hydrological properties most important to high quality fish habitat. The river corridor in this area provides habitat essential to the production of Pacific salmon, steelhead trout and anadromous Dolly Varden. This section is particularly important to rearing juvenile fish of all species throughout the year, and over wintering adult steelhead trout and Dolly Varden, as well as spawning chinook salmon. This area also serves as a major migratory corridor each year for thousands of adults of all species attempting to reach upstream spawning grounds. Additionally, maintenance of quality habitat at Anchor River is important to anadromous Dolly Varden throughout the Lower Kenai Peninsula. Tagging studies have demonstrated that spawning and rearing Anchor River Dolly Varden are highly migratory and contribute to populations that inhabit Deep Creek, Ninilchik River, and other Kachemak Bay tributaries. In sum, this section is considered to currently possess fish habitat of exceptional quality that is important to the life cycle requirements of all fish species indigenous to the Anchor River. The fish species mentioned above support fisheries that are important to the Kenai Peninsula. The Anchor River supports an average of approximately 28,000 angler days of fishing effort each year. The parcels being considered are adjacent to or near the Sterling Highway and therefore possess high recreational value. Population growth and changes in land use activities on the Lower Kenai Peninsula has led to increased stream-side development. Consequently, the overall value of these parcels on the Anchor River are important to maintaining quality fish habitat and recreational opportunity on the Kenai Peninsula.

In addition to fish values, the subject property was recently discussed by the Moose Mitigation Trust as a priority for acquisition because of its value to wildlife, especially moose.

The Anchor River provides important habitat for several species of wildlife. Waterfowl like Mallards, Harlequins, mergansers and teal all use the Anchor River. Most if not all wildlife that occur on the lower peninsula utilize this riparian area. Mink, river otter, and beaver are common residents of this area. Black and brown bears migrate through in search of salmon or other foods. Generally the dense understory provide secure cover for travel and protection from human disturbance.

Moose occur throughout the region and especially in the riparian areas year round. During spring, summer and fall moose utilize riparian areas for feeding, rearing young and thermal protection from hot summer days. During winter moose concentrate to the riparian areas because of the available browse and relatively lower snow depth. During winters with deep snow moose tend to congregate in higher densities on the lower

stretches of this river. For example, in 1992 a late winter survey showed that this section of river contained over 14 moose per square mile.

The Department of Fish and Game places a high value on this parcels for public access. On the South Fork of the Anchor River, small private parcels comprise nearly all of the land from the vicinity of the North and South Forks confluence at approximately MP 157 on the Sterling Highway upstream to about MP 164.

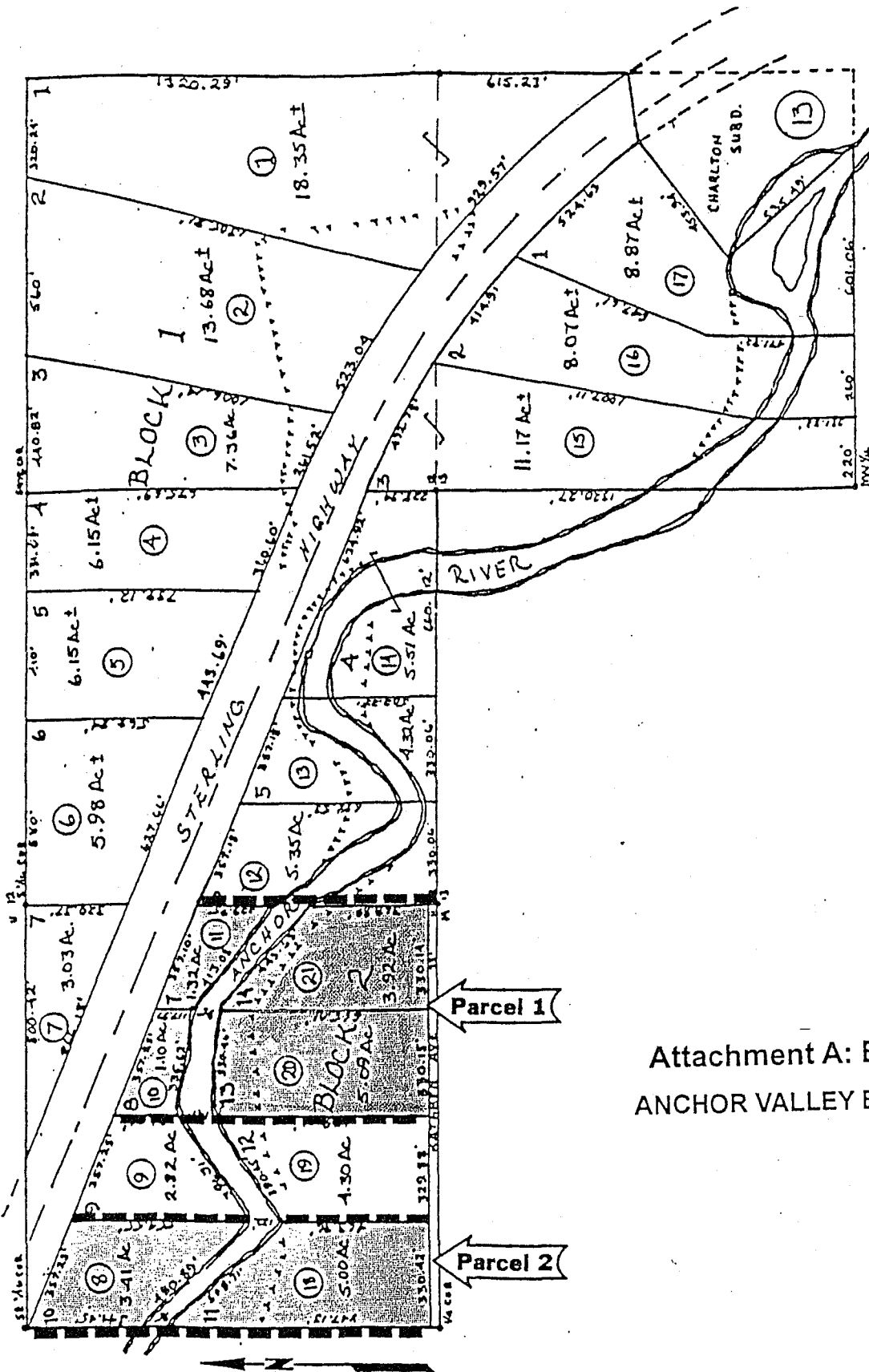
- **Potential Threats.** The parcel is already subdivided and has potential for residential/recreational use. The appeal of the parcel is enhanced by its Anchor River frontage in an area popular for dolly varden and steelhead sportfishing.

Appraised Value. The appraised value of this parcel is \$78,000. The parcel is currently part of a subdivision and includes 6 subdivided lots. The highest and best use of these lots is speculative holding, combined vacant, for future sale or development as economic conditions dictate feasible.

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. ADF&G will manage this parcel. The parcel will probably be classified Habitat/Public Recreation Land."

Public Comment. Support for acquisition of this parcel was expressed by representatives of Trout Unlimited, Alaska Fly Fishers, and the Alaska Sportfishing Association citing concerns regarding access in this stretch of the river.

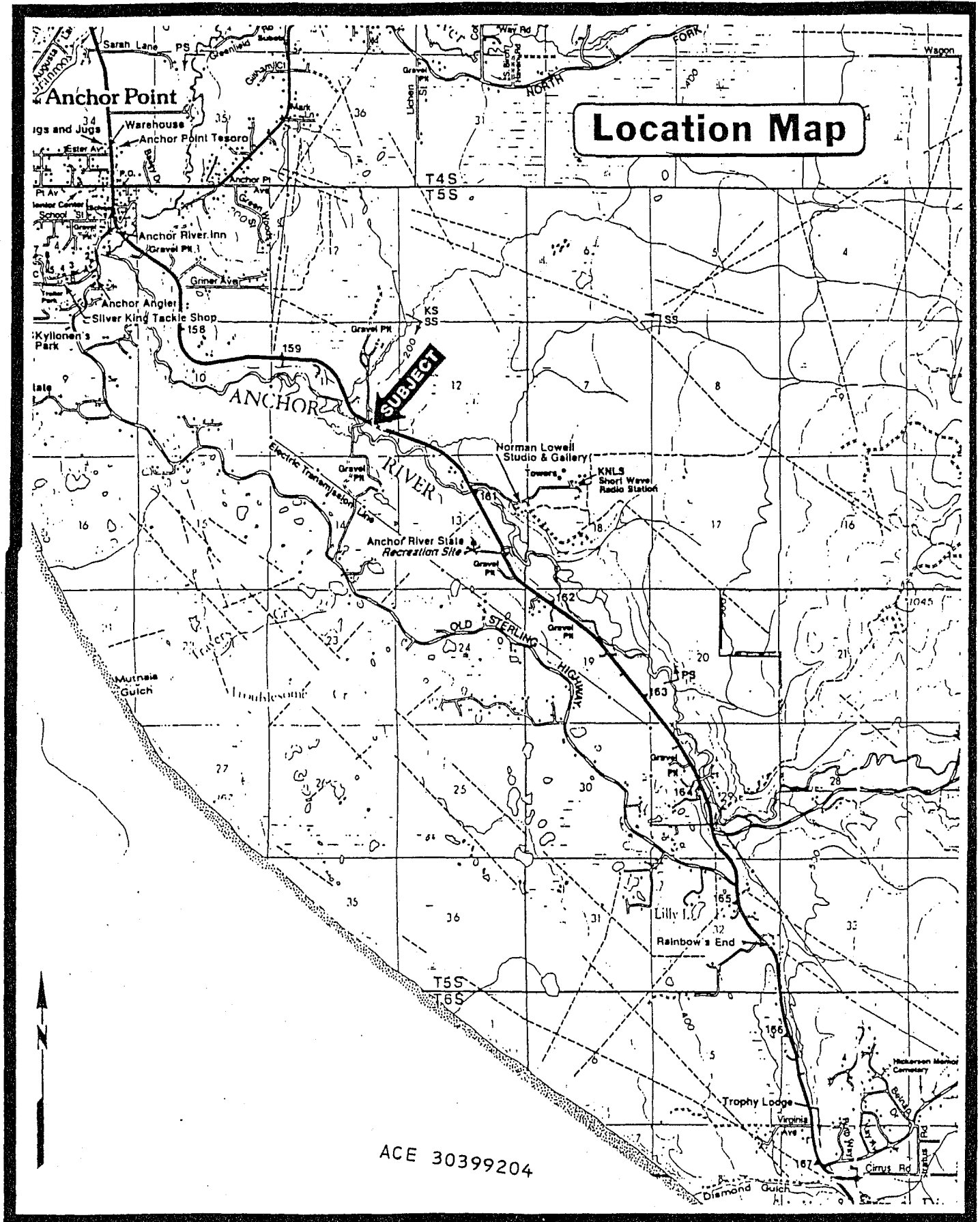
ACE 30399202



Attachment A: Elliot
ANCHOR VALLEY ESTATES

ACE 30399203

Attachment B: Vicinity Map



Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

October 2, 2002



I certify that the U.S. Fish and Wildlife Service, on behalf of the United States government, has complied with the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's resolution of July 5, 2000, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursement from the EVOS Habitat Investment Sub-Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
KAP 2042	David Abston, heirs of	\$15,000

Further, I certify that the State of Alaska has complied with the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's Resolution 01-10 of May 3, 2001, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursement from the EVOS Habitat Investment Sub-Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
KEN 294	The Conservation Fund	\$78,000

Further, I certify that the State of Alaska has complied with the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's Resolution 01-13 of August 6, 2001, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursement from the EVOS Habitat Investment Sub-Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
PWS 06	University of Alaska	\$100,000

Further, I certify that the State of Alaska has complied with the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's Resolution 02-05 of February 25, 2002, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursement from the EVOS Habitat Investment Sub-Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
KEN 309	The Conservation Fund	\$113,000

The disbursements total \$306,000.

Molly McCammon
Executive Director

ACE 30399205

ATTACHMENT A
PAGE 12 OF 13

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



October 10, 2002

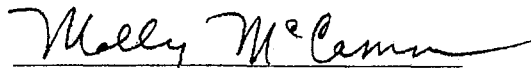
I certify that I have received written notice from the United States Fish and Wildlife Service on behalf of the United States government and from the Alaska Department of Law on behalf of the State of Alaska that the terms and conditions of the *Exxon Valdez* Oil Spill Trustee Council's Resolution 01-08 (dated January 16, 2001) have been satisfied and the Agreement described in that resolution has been executed. I hereby request that the Alaska Department of Law and the United States Department of Justice notice the United States District Court of the following:

that \$150,000 will be disbursed from the Natural Resource Damage Assessment and Restoration Fund to Koniag, Inc. for a non-development easement as described in the resolution for December 2001 through October 2002;

that \$29,800,000 will be placed on October 15, 2002 into a separate Koniag Investment Sub-Account within the *Exxon Valdez* Oil Spill Trustee Council Investment Fund with all earnings from that amount accruing to that sub-account;

that payments will be made to Koniag, Inc. from the sub-account for a non-development easement in the amounts and on the schedule described in the resolution; and

that at any time between 10/15/02 and 10/15/22 Koniag, Inc. may elect to take the funds remaining in the sub-account, including earnings, in exchange for conveying fee title to the lands described in the resolution.


Molly McCammon
Executive Director

ACE 30399206

ATTACHMENT A

PAGE 13 OF 13