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RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee

Council ("Trustee Council"), after extensive review and after consideration of the views of the public, find as follows:

1. Owners of the following small parcels and lots and tract within small parcel PWS 17 in the small parcel acquisition process have indicated an interest in selling the same:

KAP 220

KAP 226

Lots 1 and 2, Ellamar Subdivision ("PWS 17A")

Lot 12, Block 10 Ellamar Subdivision ("PWS 17B")

Lot 3 Hidden Treasure Lode Subdivision ("PWS 17C")

Central Alaska Mission Tract of USMS 556A ("PWS 17D");

2. The Trustee Council authorized appraisals of the above identified small parcels and lots and tract (the lots and tract are hereinafter collectively referred to as the "Subparcels"). Appraisals have now been completed for theses small parcels and Subparcels and approved by the government review appraisers;

3. As set forth in Attachment A these small parcels and Subparcels have attributes which if they are acquired and protected 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;

4. 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 Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other development activities. However, restoration, replacement and enhancement of resources injured by the *Exxon Valdez* oil spill ("EVOS") present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect natural resources and services, biologists, 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 that provided by existing law and regulation will have a beneficial affect on recovery of injured resources and lost or diminished services provided by these resources;

5. There has been widespread public support for the protection of small parcels; and

6. The purchase of these small parcels and the Subparcels 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 or the United States of America, as applicable, to offer to purchase and, if the offers are accepted, to purchase all the Sellers' rights and interests in these small parcels and Subparcels 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 for the purchase of the small parcels and Subparcels shall be the final approved appraised fair market value of the small parcels and Subparcels as follows:

KAP 220	Mouth of Ayakulik River	\$213,000
KAP 226	Karluk River Lagoon	\$146,000
PWS 17A	Lots 1 and 2, Ellamar Subdivision	\$ 26,500
PWS 17B	Lot 12, Block 10 Ellamar Subdivision	\$ 29,000
PWS 17C	Lot 3 Hidden Treasure Lode Subdivision	\$ 40,000
PWS 17D	Central Alaska Mission Tract of USMS 556A;	\$250,000

Authorization for funding for any acquisition described above shall terminate if a purchase agreement is not executed by December 15, 1996;

- (b) disbursement of these funds by the District Court;
- (c) a satisfactory title search is completed by the acquiring government 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 acquiring government prior to purchase;
- (f) a satisfactory hazardous materials survey is completed;
- (g) compliance with the National Environmental Policy Act;

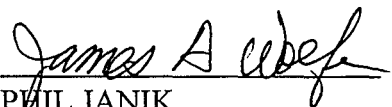
It is the intent of the Trustee Council that any facilities or other development on the small parcels or Subparcels shall be of limited impact and in keeping with the goals of restoration and that there shall be no commercial timber harvest on the small parcels or Subparcels nor any other commercial use of the small parcels or Subparcels excepting such limited commercial use as may

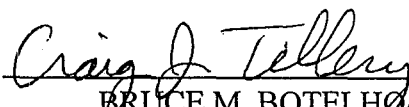
be consistent with state and federal law and the goals of restoration to its prespill condition of any natural resource injured, lost, or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 ("MOA") and the Restoration Plan as approved by the Trustee Council ("Restoration Plan").

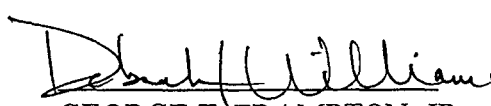
With respect to the lots and tract in PWS 17 including the Subparcels all acquisitions must form one contiguous parcel in order to facilitate restoration and management.


By unanimous consent and upon execution of the purchase agreements and written notice from the State of Alaska and the Executive Director for the small parcels and Subparcels 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 for withdrawal of the Purchase Price and any such additional costs related to closing as are recommended by the Executive Director and approved by the Trustee Council for each of the small parcels and Subparcels from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing. As purchase agreements are completed for particular parcels we request that the Department of Law and the Department of Justice petition the District Court for disbursement of such funds necessary for closing the acquisitions. These amounts represent the only amounts due under this resolution to the Sellers by the State of Alaska or the United States of America from the joint funds in the District Court Registry and no additional amounts or interest are herein authorized to be paid to the Sellers from such joint funds.

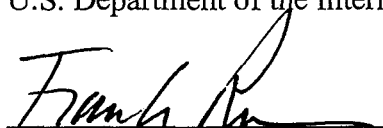
Dated this 11th day of December, 1995 at Anchorage, Alaska.



for PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service


BRUCE M. BOTELHO/CRAIG TILLERY
Attorney General/Trustee Representative
State of Alaska


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


STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


GENE BURDEN
Commissioner
Alaska Department of
Environmental Conservation

Attachment A

Table 1. Summary of Executive Director's Recommendations

<u>Parcel ID</u>	<u>Description</u>	<u>Acres</u>	<u>Rank</u>	<u>Value</u>
Offer to Purchase at Appraised Value		88.9		\$704,500
Kodiak Island Parcels				
KAP 220	Mouth of Ayakulik River	56.0	PMSC	\$213,000
KAP 226	Karluk River Lagoon	21.5	Moderate	\$146,000
Prince William Sound Parcels				
PWS 17A	Ellamar Subdivision Lots 1 & 2, Block 10	2.0	Moderate	\$26,500
PWS 17B	Ellamar Subdivision Lot 12, Block 10	1.0	Moderate	\$29,000
PWS 17C	Ellamar Subdivision Lot 3, Block 10	1.0	Moderate	\$40,000
PWS 17D	Ellamar Subdivision Central AK Mission Tract	7.4	Moderate	\$250,000
Offers authorized on 11/20/95:				\$14,851,000
Total:				\$15,555,500

Date prepared: December 8, 1995

DRAFT



PWS17

Ellamar

Virgin Bay

TATITLEK

**Busby
Is.**

NARROWS

West Bay

Tatitlek

Boulder Bay

**BLIGH
ISLAND**

Cloudman Bay

Landlocked Bay




**HABITAT PROTECTION
SMALL PARCELS
PRINCE WILLIAM SOUND, ALASKA**

Parcel: PWS17

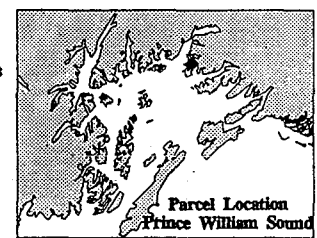
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Universal Transverse Mercator Projection

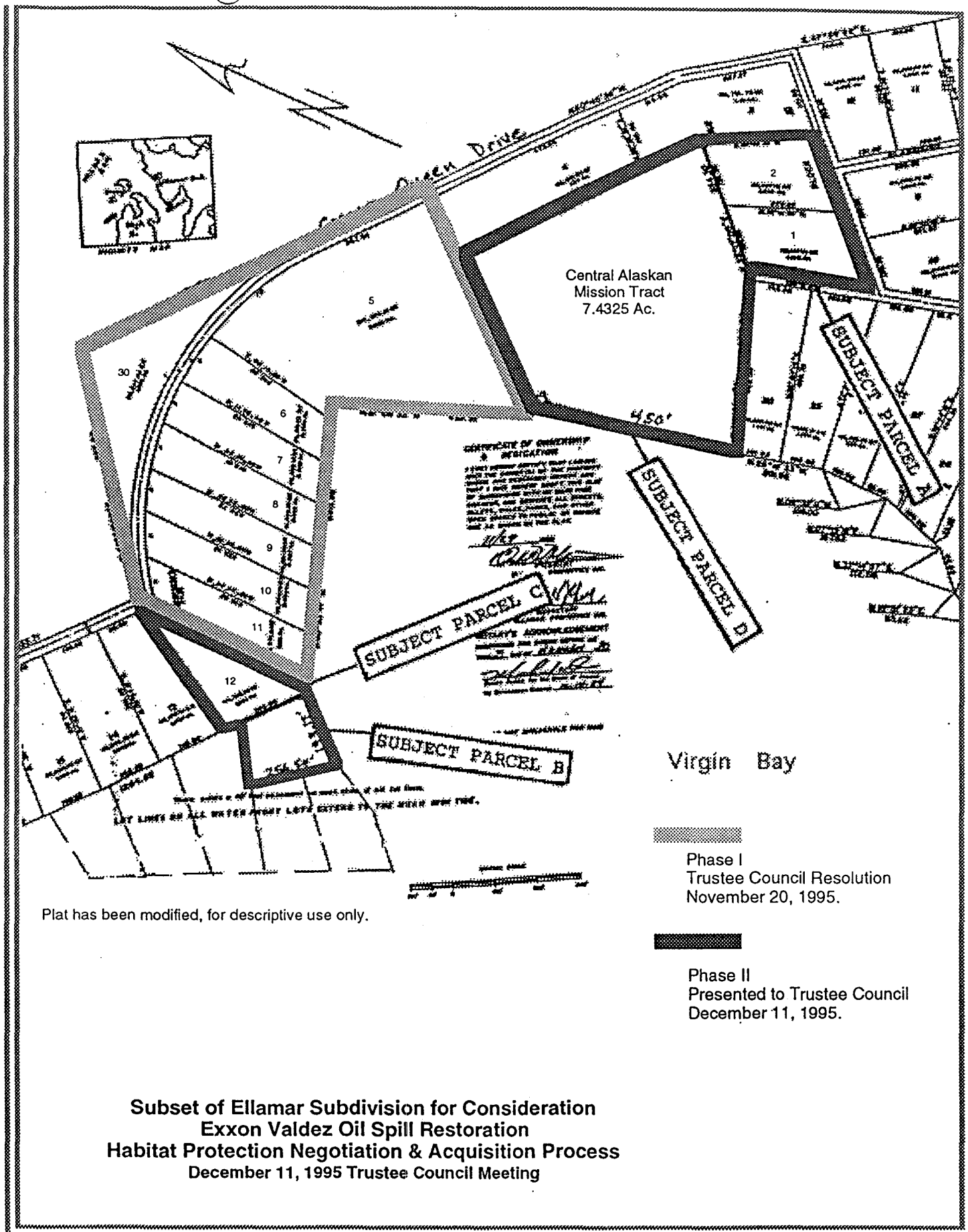
LEGEND

-  Public Lands (Federal or State)
-  Private or Municipal Lands
-  Native Selected

SOURCES:
Land status provided by the
US Forest Service, 1994, and the
ADNR, Land Records Information
Section (LRIS), 1993.



Parcel Location
Prince William Sound



PWS 17A-D: Ellamar Subdivision

Acreage: 11.4 **Rank:** Moderate **Sponsor:** ADNR **Appraised Value:** \$345,500
Owners: Ellamar Properties, Inc. (Subparcel A), Joe Pavak (Subparcel B), Kay Haneline (Subparcel C), and Francis Hunt, Jr. (Subparcel D)
Location: Block 10, Lots 1, 2, 3, & 12, & USMS 556A, Ellamar Subdivision, 2 miles north of Tatitlek

Parcel Description. The four subparcels are on Virgin Bay, about two miles north of Tatitlek. The area is mostly flat, well forested, protected by Bligh and Busby Islands to the west and surrounded by mountains to the east. In the past, adjacent lands have been mined for gold and copper, and a fish cannery has operated on the parcel. The original nomination consisted of a subdivision with 157 lots, 42 of which have been sold. Acquisition efforts have focused on lots surrounding Virgin Bay. These lots have not been impacted by development activities and will provide a viable protection unit encompassing the mouth of Gladhaugh Creek and a large intertidal area.

Restoration Benefits. Public ownership of these subparcels will protect habitat for pink salmon, Pacific herring, intertidal/subtidal organisms, sea otters, and recreation/tourism by preventing further construction on these subparcels. Acquisition will also ensure public access to the uplands and preserve the option to enhance public recreational opportunities, for example, by installing mooring buoys or similar facilities.

Key habitat and other attributes of this parcel include the following:

- *Pink salmon.* Gladhaugh Creek, a pink salmon stream, bisects part of the parcel.
- *Herring, intertidal/subtidal organisms, and sea otters.* Virgin Bay supports heavy spawning concentrations of Pacific herring and is a documented concentrated sea otter pupping area.
- *Recreation/tourism.* Recreational improvements in the immediate vicinity include subdivision roads, a boathouse and dock. Virgin Bay also provides a protected anchorage.

These subparcels have potential for enhancement of recreational opportunities in Prince William Sound. Ellamar is approximately 25 miles from Valdez by boat. The area would make a good destination and rest stop for recreational boaters entering Prince William Sound from Valdez. Virgin Bay provides a protected anchorage, and installation of mooring buoys or a public boat launch could improve safety for small boat operators.

Potential Threats. Ellamar Subdivision is partially developed. Subdivision roads have been constructed. Further construction in the subdivision could threaten injured resources and services. Potential impacts include elevated levels of disturbance, localized pollution, and possible habitat loss from erosion and sedimentation.

Appraised Value. The appraised value of these subparcels is \$345,500. The highest and best use of these subparcels is considered to be single family residential, residential cabins, or small lodge development.

Proposed Management. The purpose of acquiring these subparcels is to preserve and protect in perpetuity its ecological, natural, physical and scenic values for the benefit of fish and wildlife resources and services that were injured in the spill. ADNR proposes to manage these lands to protect fish and wildlife habitat and facilitate public access to the uplands. The land will probably be classified "Habitat/Public Recreation Land."

Public Comment. The Public Advisory Group noted that residents of Tatitlek use Virgin Bay for subsistence, and recommended that negotiators try to protect previously sold parcels to reduce the number of private inholdings that would remain in the lands acquired. One individual expressed support for acquisition of the land because of the area's exceptional scenery, recreational opportunities, wildlife values, and cultural history.



Kodiak National Wildlife Refuge

Ayakulik River

KAP220




HABITAT PROTECTION SMALL PARCELS KODIAK ISLAND, ALASKA

Parcel: KAP220

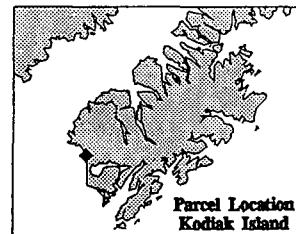
0 1.0 2.0 miles

Universal Transverse Mercator Projection

LEGEND

-  Public Lands (Federal or State)
-  Private or Municipal Lands
-  Native Selected

SOURCES:
Land status provided by the
US Fish & Wildlife, 1993, and the
ADNR, Land Records Information
Section (LRIS), 1994.



KAP 220: Mouth of Ayakulik River

Acreage: 56	Rank: PMSC	Sponsor: ADFG	Appraised Value: \$213,000
Owner: Ayakulik Associates c/o Reed Stoops			
Location: Mouth of Ayakulik River			

Parcel Description. In the Kodiak Island group, the Ayakulik River is second only to the Karluk River for sockeye and chinook salmon production potential. This parcel consists of six lots and an adjacent tract at the mouth of the Ayakulik River. One of the lots contains a collection of four new buildings operated as a sportfishing lodge. ADFG maintains a fish weir about a quarter mile upstream from the mouth of the river.

Restoration Benefits. Public ownership of this parcel will protect salmon stocks and the fisheries that depend on them by ensuring continued operation of the weir. Acquisition would also provide public access to the beach so that recreationists can continue to fish, float the river, and camp while waiting to be picked up by air taxi operators.

Key habitat and other attributes of this parcel include the following:

- *Cultural resources.* A historic gold mining operation took place on this parcel.
- *Subsistence.* Subsistence fisheries are supported by Ayakulik fish stocks.
- *Recreation/tourism.* The Ayakulik is an exceptional sportfishing stream supporting hundreds of anglers each summer. Recreationists either float the river or fish at the mouth.

The fish weir provides escapement data necessary to protect the river's fisheries resources. The average annual run size for the Ayakulik system is roughly 0.9 million sockeye, 0.6 million pink, 50 thousand coho, and 10 thousand chinook salmon.

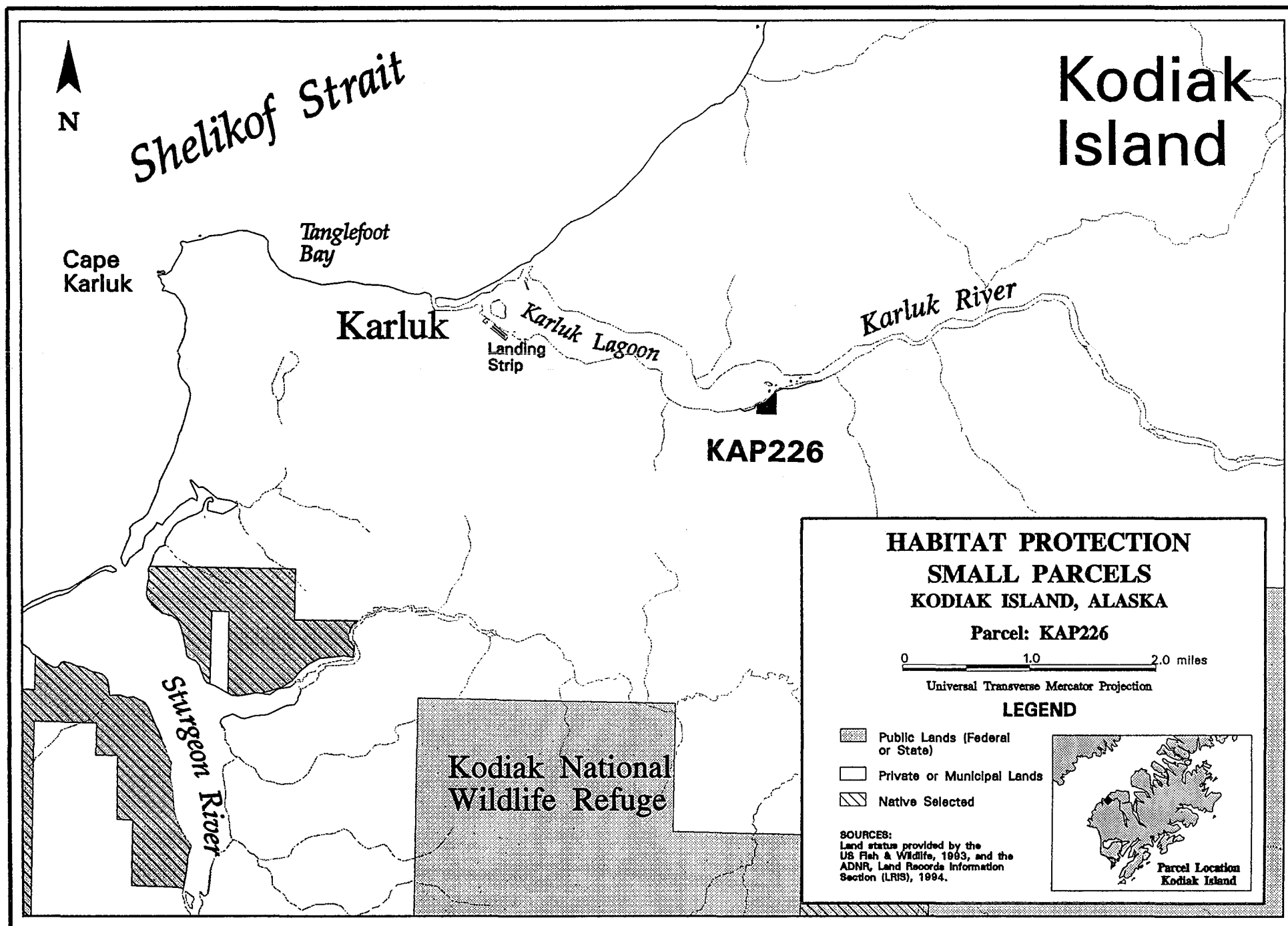
Potential Threats. ADFG presently maintains weir support facilities on leased land. The Ayakulik Village Corporation, owners of the land surrounding the weir site, has proposed a prohibitive increase in lease fees for the operation of the weir support facilities. The proposed acquisition would allow ADFG to relocate its support facilities to the newly acquired lands and still maintain access to the weir over an existing 17(b) easement.

Access to the Ayakulik River is difficult and occurs mainly by wheeled planes landing on the beach at low tide. For this reason, recreationists tend to trespass through the subject parcel to get to the river or depart via the beach.

Appraised Value. The appraised value of this property is \$213,000. The highest and best use of this parcel is considered to be recreational or small lodge (less than six clients) development.

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. ADNR proposes to manage this parcel jointly with ADFG through an Interagency Land Management Agreement. The parcel will probably be classified "Habitat/Public Recreation Land."

Public Comment. Support for acquisition of this parcel was expressed by Kodiak Island Borough Assembly (Resolution 95-23) and the Kodiak Regional Aquaculture Association.



KAP 226: Karluk River Lagoon

Acreage: 21.5 **Rank:** Moderate **Sponsor:** ADFG/ADNR **Appraised Value:** \$146,000
Owner: Ayakulik Associates c/o Reed Stoops
Location: Karluk River Lagoon, Kodiak Island

Parcel Description. This parcel is located on the Karluk River, just upstream from the head of Karluk Lagoon. The parcel is in a village selection area excluded from the Kodiak National Wildlife Refuge. The Karluk River is world renowned for its highly productive fishery resources.

Restoration Benefits. Public ownership of the parcel would ensure continued public access to lands along the lower Karluk River and Lagoon for sport fishing and subsistence use. Acquisition would also allow agencies to protect fish habitat and archaeological sites from damage should the property be developed for commercial purposes in the future.

Key habitats and other attributes of this parcel include:

- *Sockeye salmon* rear in the Karluk River lagoon.
- *Archaeological resources.* There is archaeological evidence of a remnant house pit on the parcel.
- *Subsistence.* Fishermen dependent on resources from the Karluk River include Karluk and Larsen Bay (populations 74 and 144, respectively). Most subsistence fishing occurs in the lagoon.
- *Recreation/tourism.* The lands included in this parcel provide important public access and recreational service values. Recreationists floating the Karluk River use the lower river and lagoon as pick up points by air taxi operators.

Potential Threats. Recently, the Karluk Village Corporation, the major landowner surrounding the lagoon, has posted the area to prevent further use of their lands. If public access restrictions are enforced, future use of the river for sportfishing could be significantly affected because of the lack of suitable take-out points on Karluk Lagoon.

Although no development is currently planned that would adversely affect injured resources and services, the strategic location of the site for passenger pick-up suggests that the parcel has potential for future development for sport fishing or ecotourism operations.

Appraised Value. The appraised value of this property is \$146,000. The highest and best use of this parcel is considered to be single family residential or small lodge (less than six clients) development.

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. ADNR proposes to manage this parcel jointly with ADFG through an Interagency Land Management Agreement. The parcel will probably be classified "Habitat/Public Recreation Land" and the management intent will be to ensure legal access to and from the lagoon by recreationists and other users.

Public Comment. Support for acquisition of this parcel was expressed by the Kodiak Island Borough Assembly (Resolution 95-23).