



March 3, 2009

Dear Friends,

As you know, last week Taylor Shellfish filed suit in State Court to assert ownership of disputed Totten Inlet property. We have always maintained that Taylor owns the land in dispute, which we purchased in 1969. DNR Commissioner Goldmark claims that the land belongs to the state.

Today, Taylor filed suit in Federal Court seeking to establish the validity of a substitution clause in our deed to the disputed property. This federal action is also a result of Commissioner Goldmark's decision not to honor the settlement agreement signed by DNR and Taylor Shellfish.

If DNR is correct in their assertion that we only own the upper beach, then the area that we were sold in 1969 is not suitable for oyster cultivation. Under our deed, if the lands were not actually suitable for growing oysters, Taylor has the right to obtain substitute tidelands from the state that are suitable for that purpose.

The federal action seeks to confirm that the substitution right in the deed remains valid. In 1971, the state passed a law (the Gissburg Amendment) that outlawed the sale of state-owned tidelands. In 1981, the state attorney general said that, under the Gissburg amendment, the state can no longer substitute lands for oyster cultivation.

Commissioner Goldmark's actions will bring about a test of the attorney general's opinion and of the state law on substitution; this could have far-reaching consequences for shellfish growers.

Commissioner Goldmark has requested that Taylor delay litigation for six months so that DNR can "evaluate and possibly renegotiate" the Settlement Agreement Taylor and DNR entered into on January 12, 2009. We are unable to accept the Commissioner's request.

We have oyster and geoduck crops on the land that are overdue for harvest and we have already missed one planting season on the farm. We have already suffered significant damages and we need to move forward with a legal resolution of this dispute as expeditiously as possible to reduce future losses.

We are disappointed by Commissioner Goldmark's actions and would have preferred not to have taken this legal action. In fact, under the signed settlement agreement, we had not only given up our ownership claims of the disputed property but we also waived our right of substitution in the Totten Inlet deed.

Our family has been farming shellfish for 100 years and we have never brought a lawsuit against DNR, or the state. We are not taking this lightly and we will keep you posted on next steps.

Thanks again for your support during this challenging time.

Sincerely,

Bill Taylor