



February 23, 2009

Dear Friends and Supporters,

Two and a half weeks ago, DNR Commissioner Peter Goldmark announced that he would not honor the terms of a signed settlement agreement between DNR and Taylor Shellfish regarding disputed property in Totten Inlet. Commissioner Goldmark's decision not to honor our agreement forces us to take legal action. Today, Taylor Shellfish filed suit in Thurston County Superior Court for breach of contract and to quiet title to the property that has been the subject of the dispute between Taylor Shellfish and the DNR. We will also be filing a separate legal action in Federal court within the next week or two.

Taylor has always maintained that it had equitable ownership claims to the tidelands in dispute, but the Company had hoped to resolve the dispute without court action. Under a settlement signed by Commissioner Sutherland on January 12<sup>th</sup> Taylor had agreed to forfeit its ownership claims to the property if DNR decided to lease 21 acres of tidelands to Taylor for five years.

The proposed lease would have allowed Taylor to harvest the crops Taylor had planted on the land. This settlement also fully compensated DNR for all back rent allowable under the law, plus interest and reimbursement for staff time. In addition, under the settlement Taylor would have paid \$200,000 toward continued geoduck research by Sea Grant.

At the time Commissioner Goldmark decided not to sign the lease, DNR was in the midst of reviewing over 400 public comments that were submitted during the State Environmental Policy Act (SEPA) review process for the lease. Just three days before Commissioner Goldmark rejected Taylor's lease application, DNR extended the SEPA review process until February 20, citing the need to review the extensive public comments that had been submitted during that process.

Public comments on the 5-year lease to Taylor Shellfish in Totten Inlet numbered over 400 and favored granting the lease by a 2 to 1 margin. By making a decision about the lease without considering public input, the Commissioner disregarded SEPA. We are deeply disappointed by Commissioner Goldmark's actions.

I want to personally thank each and every one of you for your support over the past 9 months as we've tried to resolve the Totten Inlet issue with DNR. We will keep you informed about further developments in this case as we go forward.

Sincerely,

Bill Taylor.