

Original
1/26/06

**APPOINTMENT OF FIDUCIARY
AND DELEGATION OF AUTHORITY**

Pursuant to Section III. B.2 of the Bylaws for the Tallassee Fund, the Board of said fund ("Board") does hereby delegate to the Tennessee Wildlife Resources Agency ("TWRA") the authority to act as a fiduciary for the Board for the purpose of managing the moneys of the Tallassee Fund ("Fund"). This appointment becomes effective upon the signatures of seven or more designated representatives of the Board and the signature of an authorized representative of the TWRA, indicating acceptance of the fiduciary responsibility.

This delegation of authority includes the power and authority to solicit and approve grant applications or contracts from the public, on behalf of the Board, for the purpose of carrying out the annual determinations of the Board for mitigation and enhancement projects in the valley of the Little Tennessee River, relating to the effects of the Tapoco hydroelectric project. This delegation includes no authority for the TWRA to consider making grants or entering contracts for projects not expressly approved by the Board.

By accepting this delegation of authority, the TWRA hereby agrees to the following terms of its role as fiduciary for the Tallassee Fund:

A. Fiduciary Duties:

The duties of TWRA shall include, but shall not be limited to:

1. Holding and safely managing the res of the Fund;
2. Investing the res in authorized state government accounts, or in short-term Treasury securities or bank accounts insured by the FDIC, managing maturity dates to ensure that funds are available at times determined by the Board each year to pay for selected

mitigation and enhancement projects, and accumulating any earned interest into the res of the Fund;

3. Obeying the instructions of the Board, consistent with state and federal law;
4. In the event TWRA should decide to terminate Fiduciary duties, the Board shall be given written notice of intent ninety (90) days prior to termination.

B. Solicitation of Grants or Contracts:

The TWRA shall use for the Fund the processes and procedures available to it under Tennessee law for the purpose of soliciting grant applications, reviewing same, and making awards of grants. If TWRA chooses to proceed by means of contracts instead of grants, TWRA shall employ the processes and procedures of Tennessee public contracting law to make its awards.

The TWRA will provide recourse to any aggrieved persons through the normal channels of relief provided by Tennessee law for claims under the applicable laws governing grants, procurement, contracts, or tort.

C. Disbursements and Reporting:

The following disbursement and reporting requirements will be followed by the TWRA:

1. All disbursements from the Fund must be approved in writing by the Board, acting through the Executive Committee established by the Board
2. If the TWRA selects itself to perform a project for the Board, it must still seek approval from the Board for payment of moneys from the Fund.

3. The TWRA will submit annually to all members of the Fund Board and the Tapoco Project Licensee, by March 31st:

- a. A detailed accounting of the Fund as of December 31 of the prior year, including all income and disbursements.
- b. An accounting of all cost-share or other contributions to the Fund for the prior calendar year.
- c. Interest earned for the prior year.
- d. Commitments of funds not yet invoiced as of December 31 of the prior year.
- e. The balance of funds available for expenditure in the next year minus remaining commitments and anticipated expenses.
- f. A statement of all fiduciary expenses for the prior year.

D. Project Oversight:

TWRA shall monitor and oversee any grant it makes or contract it awards pursuant to the Tennessee laws and rules applicable to government grants and contracts. TWRA may enlist the assistance of any Board member entity that has field personnel available to help monitor activities on the ground.

E. Non-Discrimination:

The TWRA shall comply with all Federal and State statutes prohibiting illegal discriminations. These laws include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (40 U.S.C. 2000), which prohibits discrimination on the basis of race, color, disability, or national origin; (b) Title IX of the Education amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; and Section 504 of the Rehabilitation Act of 1973 as amended (29 USC 794) which prohibits discrimination on the basis of disabilities. Appropriate nondiscrimination statements will be included in all grants, contracts or agreements entered into by TWRA on behalf of the Board.

APPROVED FOR THE TALLASSEE FUND BY:

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

By Daniel C. Eagar

Name: Daniel C. Eagar

Title: Manager, Natural Resources Section

Address: 401 Church Street

Nashville, TN. 37243-1534

Date: 16 Dec. 2005

TENNESSEE WILDLIFE RESOURCES XXXXXXXXXX

By Aubrey D. McKinney

Name: Aubrey David McKinney

Title: Chief Environmental Services

Address: P.O. Box 40747

Nashville, TN. 37204

Date: December 16, 2005

U.S. FISH AND WILDLIFE SERVICE

By Mark A. Cantrell

Name: MARK A. CANTRELL

Title: FISH + WILDLIFE BIOLOGIST

Address: 160 Zillicoa Street
Asheville NC 28801

Date: 12/16/2005

NATIONAL PARKS CONSERVATION ASSOCIATION

By _____

Name:

Title:

Address:

Date:

TENNESSEE CLEAN WATER NETWORK

By Renee Hoyos

Name: Renee Hoyos

Title: Executive Director

Address: 706 Walnut St #208
Knoxville TN 37917

Date: 12/16/05

THE NATURE CONSERVANCY OF TENNESSEE

By _____

Name:

Title:

Address:

Date:

AMERICAN RIVERS

By _____

Name:

Title:

Address:

Date:

**THE NATIONAL PARK SERVICE,
THROUGH GREAT SMOKY MOUNTAINS NATIONAL PARK**

By Keith R. Landon

Name: KEITH R. LANDON

Title: ACTING CHIEF, RM+S DIV., GREAT SMOKY MTS. NAT'L PARK

Address: GREAT SMOKY MTS. NAT'L PARK
1314 CHEROKEE ORCHARD ROAD.

Date: GATLINBURG, TN 37738

DEC. 16, 2005

U.S. FOREST SERVICE

By Susan Shaw
Name: Susan M. Shaw - Cherokee National Forest
Title: Biological & Physical Resources, Planning, Lands, & Minerals
Staff Office
Address: 2800 N. Ocoee St.
Cleveland, TN 37312
Date: 1/26/06

EASTERN BAND OF CHEROKEE INDIANS

By Michael L. Bolt
Name: Michael L. Bolt
Title: Water Quality Standards, EB CI
Address: PO Box 547
106 WATER QUALITY
CHEROKEE, NC 28719
Date 12-16-05

ACCEPTANCE BY TWRA: Gary J. Myers

THE FOREGOING DELEGATION AND TERMS ARE ACCEPTED BY THE TWRA,
ACTING THROUGH ITS DIRECTOR, Gary J. Myers. THIS 28th DAY OF February, 2006
~~DECEMBER, 2005.~~ ²⁰⁰⁶

Date:

TENNESSEE CLEAN WATER NETWORK

By _____

Name:

Title:

Address:

Date:

THE NATURE CONSERVANCY

By _____

Name:

Title:

Address:

Date:

AMERICAN RIVERS

By Rebecca R. Waddler

Name: Rebecca R. Waddler

Title: Executive Director

Address: 1101 14th Street, NW, Suite 1400
Washington, DC 20005-5637

Date: January 20, 2006

**THE NATIONAL PARK SERVICE,
THROUGH GREAT SMOKY MOUNTAINS NATIONAL PARK**

By _____

Name:

Title:

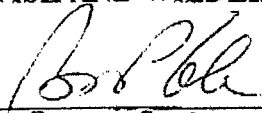
Address:

**THE FOREGOING APPOINTMENT OF FIDUCIARY
AND DELEGATION OF AUTHORITY
TO THE TWRA IS APPROVED FOR THE TALLASSEE FUND BOARD BY:
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

By _____
Name:
Title:
Address:

Date:

U.S. FISH AND WILDLIFE SERVICE

By 
Name: Brian P. Cele
Title: Field Supervisor
Address: 160 Zillicoa Street, Asheville, NC 28801

Date: 1/26/6

NATIONAL PARKS CONSERVATION ASSOCIATION

By _____
Name:
Title:
Address:

Date:

TENNESSEE CLEAN WATER NETWORK

By _____
Name:
Title:
Address:

Date: