

KAP 145 Termination Point

Acreage	1,028	Rank	Moderate	Sponsor	ADNR	Appraised Value	\$1,882,000
Owner	Uncertain Nominated by Leisnoi Inc						
Location	Monashka Bay, northeast coast of Kodiak Island						

Parcel Description This parcel is on Monashka Bay on the northeast coast of Kodiak Island approximately 12 miles from the town of Kodiak. This relatively flat coastal tract is forested with Sitka spruce and has an understory of shrubs and grasses. The parcel's four miles of convoluted shoreline is characterized by rocky cliffs and protected beaches. The coastline has numerous nearshore rocks and extensive kelp beds.

Restoration Benefits Public ownership of this parcel would protect habitat for bald eagles, intertidal/subtidal organisms, marbled murrelets, and pigeon guillemots and ensure the continued use of the area for recreation and subsistence. Habitats and continued public use of this parcel are at risk because of potential commercial timber harvest and/or subdivision of the parcel. Public ownership of the parcel would also allow agencies to enhance recreational services by developing and maintaining trails, constructing parking areas and other access points.

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

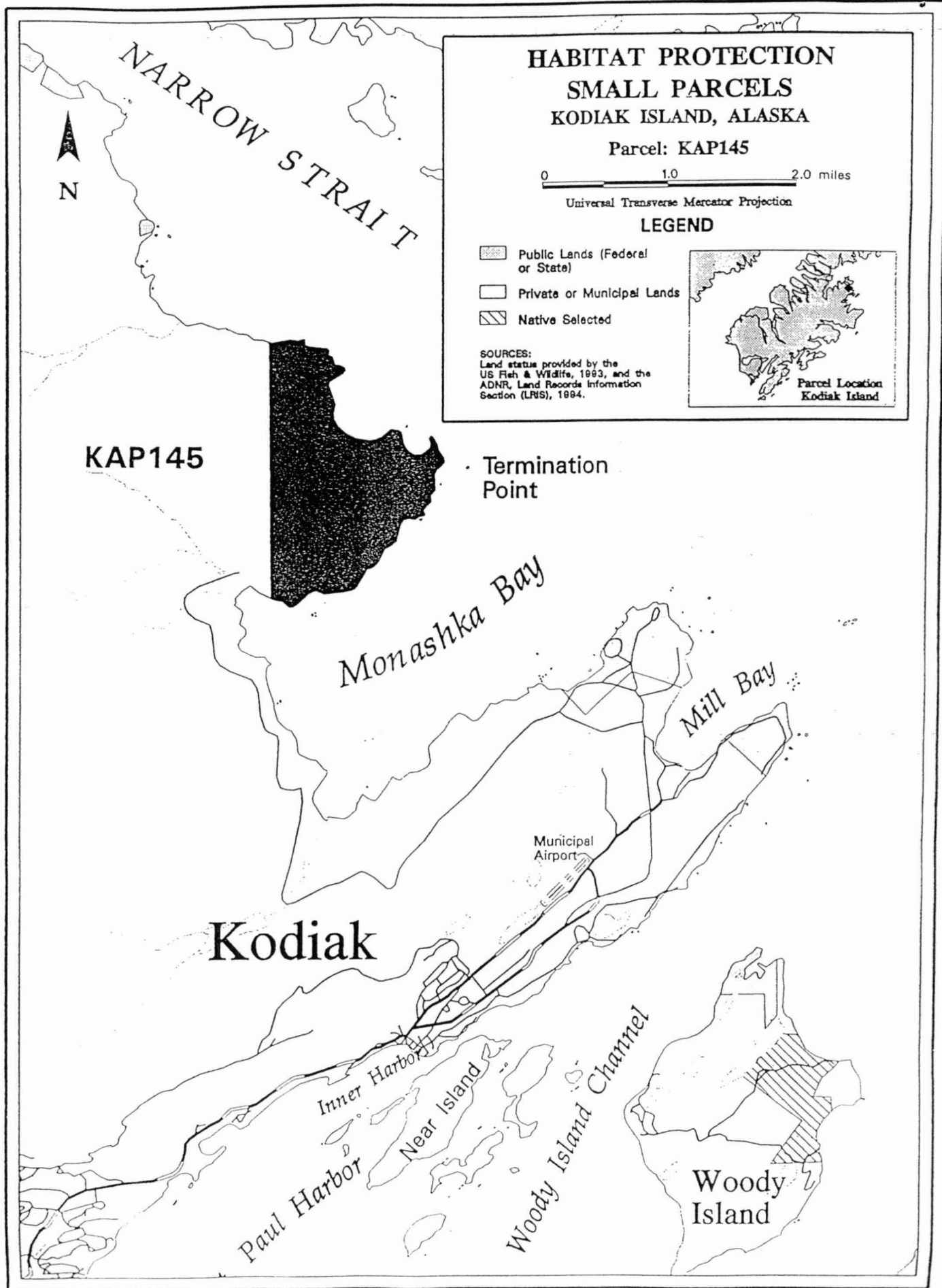
- *Bald eagles* nest on the parcel.
- *Intertidal/subtidal organisms, marbled murrelets and pigeon guillemots* The productive intertidal area and the adjacent Narrow Strait are important feeding areas for marbled murrelets and pigeon guillemots as well as other marine birds.
- *Subsistence* The parcel also provides subsistence resources for the village residents of Ouzinkie. Residents harvest marine mammals and fish, salmon and deer.
- *Archaeological resources* Three cultural resource sites containing middens and barabara depressions (remnant house pits) are located on the parcel.
- *Recreation/tourism* The parcel possesses high recreational qualities for the residents of Kodiak and is used by the public on a regular basis. The parcel is unique because it provides for a variety of year-round recreational opportunities such as hiking, fishing, hunting, ice skating, camping, and bird watching, and is accessible by the Kodiak road system.

Potential Threats Timber harvest is planned for land adjacent to this parcel. Termination Point is forested and also has potential for commercial timber harvest. Also, because of its proximity to the City of Kodiak and its accessibility by road, it has considerable potential for residential subdivision in the future.

Appraised Value The appraised value of this parcel is \$1,882,000. The highest and best use of this parcel is for mixed use: forestry and rural residential use.

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. The parcel will probably be classified "Habitat/Public Recreation Land."

Public Comment Support for acquisition of this parcel was expressed by the Kodiak Island Borough Assembly (Resolution 95-23), Kodiak State Park Citizens Advisory Board, and 17 individuals. Supporters cited the rich diversity of habitat on the parcel, its accessibility to the City of Kodiak, and concern that it may be logged. One individual opposed acquisition because the parcel was not affected by the spill and because he objects to transferring land from private to public ownership. The Public Advisory Group underscored the extremely high local interest in this parcel, mostly due to its recreational value, and recommended consultation with the villages on management of the parcel because of the high level of subsistence use.



Hans U Tschersich, M D
1423 Baranof Street
Kodiak, Alaska 99615
Phone 907-486 5648

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AUG 24 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Sat, 20 Aug, 1994

Exxon Valdez Trustee Council
645 G Street
Anchorage, Alaska 99501

Re Acquisition of Termination Point / Monashka Bay near Kodiak

The densely wooded, undeveloped west side of Monashka Bay ends in a grassy bluff called Termination Point. It is, because of its unspoiled beauty and proximity to the city of Kodiak, a favorite hiking and recreation area of people in this area. An old cabin at Termination Point, a historic military remnant from the second World War, has housed for many years a log book containing many entries from visitors from all over the country and from all over the world, extolling the pristine beauty of this area. From the wooded cliffs of Termination Point one can observe an abundance of wildlife at sea and the forest is full of game trails.

This unique natural area is owned by the Leisnoi Native Corporation, which, because of urgent financial needs, has slated this area for logging in 1995. Now a more immediate threat has developed, since one of Leisnoi's creditors (Koncor Forest Products) may have the right, according to news reports on radio KMXT in Kodiak, to harvest the timber as early as September 1994.

I feel personally and as the vice president of Kodiak's Audubon Society that the Termination Point area needs urgent protection as a unique natural area for the preservation of its natural diversity and the great recreational value for the local inhabitants and the many visitors to this area. Funds from the Exxon settlement could be properly applied for the purchase of this fairly small acreage. I hope that the Council will take a careful look at this situation and will help in the preservation of this area.

Sincerely,


Hans U Tschersich

Mike Sirofchuck

Box 970

Kodiak, AK 99615

907 - 486 - 6498



SEP 08 1994

September 1, 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Exxon Oil Spill Trustee Council:

I strongly urge you to choose Termination Point in Kodiak for small parcel acquisition.

Termination Point is pristine, prime wildlife habitat, making it a perfect candidate for parcels enhancing wildlife recovery. It is also the single most popular hiking area in Kodiak. For most new arrivals to Kodiak, their first hike is out to Termination Point. That was true for me when I moved to Kodiak in 1987; I fell in love with the area and have hiked there frequently at all times of the year.

On my many hikes in that area I have seen deer, beaver, land and sea otters, sea lions, ermine, squirrels, marbled murrelets, gulls, and countless other species of birds. I have seen sign of bear, but luckily have never run into one out there. Just as importantly, I usually encounter other hikers enjoying this unique area. The comments I read in the log in the cabin near the point echo the joy, relaxation, and recreation one gains traveling through the Sitka spruce forest and along the ocean coast. And, on those less than frequent sunny days in Kodiak, I have taken some great naps at the end of the trail, out on the point.

No amount of money gained by logging this area could equal its value to Kodiak residents and visitors in recreation and habitat. It is a prime tourist attraction, especially in this time of ever increasing "eco-tourism" in our community.

Using oil spill settlement money to acquire this parcel is a small investment that will proved an excellent, continuing return to our community. That is not much to ask for after the devastating effects of the Exxon Valdez Oil Spill on our island.

Sincerely,

Mike Sirofchuck
Mike Sirofchuck

Stacy Studebaker

Box 970

Kodiak, AK 99615

907 - 486 - 6498



Exxon Valdez Oil Spill Trustee Council
Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501

Stacy 9/8

9/3/94

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SEP 06 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

To whom it may concern,

Enclosed are two articles from the Kodiak Daily Mirror which both pertain to the Termination Point parcel (Case # KAP120). I would appreciate it if you would include them in the file for the trustees to review.

Thankyou.

Sincerely,

Stacy Studebaker

Kodiak Daily Mirror

VOL. 54 NO. 171

THURSDAY, SEPTEMBER 1, 1994

KODIAK, ALASKA

16 PAGES

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inside

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village.

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onto cross
country
varsity.

California quake poses no tsunami threat

The Tsunami Warning Center in Palmer called off a watch about 8:30 this morning when an earthquake off the coast of Northern California appeared to cause no worrisome tide fluctuations.

The earthquake registered 6.8 on the Richter scale. Its epicenter was 255 miles northwest of San Francisco.

"There wasn't any potential" for a tsunami, said Tom Sokolowski, Tsunami Warning Center chief.

However, the center went on watch anyway, monitoring tide gauges and checking reports from tide stations in California.

The crew found no significant changes in the tide patterns.

"Which is exactly what we expected," Sokolowski said.

The center issues an evacuation warning for all earthquakes over 7.1 on the Richter scale.

For sizable earthquakes below that magnitude, the center monitors tide reports but does not issue a warning unless its necessary.



Stacy Studebaker wants to save Termination Point — In the background — for future generations.

Studebaker leads effort to spare Termination Point

By JOHN PFEIFER
Mirror Writer

A local school teacher is spearheading a drive to save Termination Point. Stacy Studebaker, a life and environmental science teacher at Kodiak High School, would like to see the Exxon Valdez Oil Spill Trustee Council purchase about 1,000 acres at the end of the Monashka Bay Road and turn it into a state park.

"I think it is a unique piece of recreational property," Studebaker said.

"It takes in so many ecological niches. You can see birds along the coast. You can hike through the forests and see forest creatures and beaver ponds," she said. The land is also easily accessible.

"It's just 12 miles from town. The logbook shows it's used by a lot of different user groups," Studebaker said.

The property, 1,028 acres in all, is owned by Leisnoi Inc., a Kodiak-based Native village corporation.

Leisnoi is already doing selective logging at the opposite end of the road system, on property it owns at Cape Chinik. Interim CEO Fred Zharoff says the company may look at expanding its operation to Termination Point in the future.

"Definitely, there's a possibility, at some point, we may look at Termination Point," Zharoff said in a recent interview.

Also hanging over the land is an outstanding debt. Leisnoi owes to Konkor Forest Products Company.

Leisnoi used the Termination Point land and other property at Black Canyon in Kalsin Bay to secure an outstanding debt resulting from the merger and subsequent de-merger with Kodiak's regional Native corporation, Koonag Inc.

"Konkor, at that time, had advanced the different villages a certain number of dollars. As a result of the de-merger, the courts determined that money

See Termination, Page 6

For many years, hikers have written their comments and observations in a logbook, kept in an empty cabin at the end of the Termination Point trail.

March 13, 1991

I've visited this cabin a couple of times but never read through the journals before. I hadn't realized so many people cared about this place.

I love reading about people coming out and building a fire and having a nice meal and here I picked up the place a little, but it needs real work. Len Schrader, Bruce Lee, Chris & Chris and everybody else who works to keep this place viable — I commend you! This is a special place worth preserving and protecting.

RT

July 13, 1991

I'm on my last few weeks in Kodiak. This is my second time at Termination Point. I will miss Kodiak and what it has contributed to my life and my soul. I guarantee I will be back. May this cabin and what it represents still be here!

Lynne Schaefer, Menominee, WI

August 14, 1992

Great hike up. I have spent 4 hrs. coming up here and out on point. Termination Point — cold, misty, beautiful country. I have not heard or seen a human since I left the end of the road. BEAUTIFUL, LOVE IT HERE.

Larry Seiffert, Elton, FL

July 1, 1994

We decided to go hiking and we never dreamed to stumble into something this cool. We are off the beaten path and here the outdoors. A lot of people off the beat may leave a bad impression. Hope you don't think we all try to ruin hell. Hope to come back one day and see it in the same or better shape. You got something real nice that's hard to find these days.

Steven M. Emerson, Killeen, TX

Termination—

Continued from Page 1

had to be paid back," Zharoff said.

Leisnoi was supposed to make a \$100,000 payment to Konkor Aug. 1, but was unable to do so because of Leisnoi's ongoing financial problems.

Zharoff said Leisnoi asked for, and obtained, a 60-day extension.

"This is not the first time," Zharoff said, explaining that Konkor has granted Leisnoi other extensions in the past.

Zharoff doesn't foresee any problems making this year's payment, or — for that matter — the final installment due in Aug. 1995.

"I think we'll probably be able to achieve that goal," he said.

To get Termination Point considered by the Trustee Council, Studebaker had to obtain the support of both Zharoff and Leisnoi's Board of Directors.

"He (Zharoff) was very agreeable to the whole thing," Studebaker said.

Studebaker submitted the nomination under the Trustee Council's small parcel program.

That program is the second phase of the council's Comprehensive Habitat Protection Process.

During the first phase the council focused on larger parcels, such as the recent purchase of 42,000 acres near Seal Bay, on Afognak Island.

During the second phase, the council is examining parcels of 1,000 acres or less.

"Basically, we're evaluating

tection to the recovery of injured resources and services," said Tom Gerlach, a member of the council's habitat protection workgroup.

During the 60-day nomination period, which ended July 15, the council received 270 small parcel nominations, Studebaker said.

Now, Gerlach's group is deciding which parcels to keep on the list.

"All parcels have to meet a minimum threshold criteria to get into the door, so to speak," Gerlach said.

The parcels that make this first cut will then be ranked and submitted to the Trustee Council.

"They're going to come out with a ranked list by the end of fall," Studebaker said.

After the parcels are appraised, the Trustee Council will begin negotiating with landowners, she said.

It's unclear, at this point, just how much money the council will spend.

"There has been no money amount set," Gerlach said. "No one can really say what the interest level is from the Trustee Council."

In the meantime, anyone interested in commenting on the Termination Point purchase should write the Exxon Valdez Oil Spill Trustee Council Restoration Office at 645 G Street, Suite 401, Anchorage, Ak. 99501.

"We have a file here that we keep all the support for all the parcels in," Gerlach said.

"We'll tabulate all of those comments and provide them to the Trustee Council as an indi-

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KODIAK, ALASKA

44 PAGES

50 CENTS



Leisnoi locked in legal battle

Rival factions trade allegations

By JOHN PFEIFER
Mirror Writer

Lawsuits are flying faster than wood chips at a Native corporation-owned logging firm in Kodiak.

Woody Island Timber Company Inc. and its parent firm, Leisnoi Inc., are both plaintiffs and defendants in a raft of legal motions filed recently in Kodiak and Anchorage.

While the court battles rage, workers and subcontractors must wait for their checks.

Standing in the middle of this legal quagmire is Sen. Fred Zharoff (D-Kodiak), who became interim CEO of Leisnoi July 4.

Zharoff and his faction took the helm after a bitter, behind-the-scenes battle that lasted most of June. Once in control, they fired the company's former CEO and all of its employees.

Now, Zharoff and his allies are accusing those same people of "gross misuse and non-accountability of corporate funds."

They have even called in the Alaska State Troopers to investigate.

The former managers and em-

ployees deny the charges.

Others, in turn, have raised questions about Zharoff's alleged use of his senate position to secure certain considerations for

the company.

Zharoff admits he opened a few avenues for Leisnoi but says he did nothing wrong.

"It wasn't anything more, or

anything less, than I would do for anyone else," Zharoff said.

"We're just struggling on, trying to get this thing resolved."

See Leisnoi, Page 14



Ross Courtney photo

Gary Marlar operated a logging truck for Environmental Timber Company. He is one of many subcontractors still waiting to be paid. Marlar looks forward to hauling logs under a new contract with Woody Island Timber Company.

Native Corporation embattled since its beginning

By ROSS COURTNEY
Mirror Writer

Since its birth in 1974, Leisnoi Inc. has been embroiled in lawsuits, some of which challenge the corporation's very right to exist.

Managers say the ceaseless court battles have left the corporation financially strapped and unable to use its most valuable asset — its land.

Kodiak rancher Omar Stratman filed the first lawsuit in 1976 in the U.S. District Court in Anchorage. He was joined by

other cattle ranchers who owned grazing leases on what is now Leisnoi land.

Still under appeal, the lawsuit challenges the legitimacy of Leisnoi as a village corporation.

Leisnoi was created when a group of Natives who said they had historical ties to Woody Island applied for village corporation status under the Alaska Native Claims Settlement Act (ANCSA) of 1972.

The U.S. government granted them status, entitling them to more than 115,000 acres. Some

of the land they selected overlapped Stratman's leases on Kodiak Island.

Stratman's lawsuit claimed there never was a village on Woody Island. Therefore, he said, Leisnoi did not deserve to be a corporation.

"You can't just say, 'Hey, I'm a village, give me a lot of money, give me a lot of land,'" said Michael Schneider, Stratman's current attorney.

After two years of legal briefs and motions, the federal court dismissed the case. Stratman took

the case to the 9th U.S. Circuit Court of Appeals in San Francisco.

But before the appeals court could rule, Leisnoi merged with Kodiak's regional Native corporation, Koniag Inc. Koniag inherited Leisnoi's legal battle.

That complicated things. The appeals court ordered the lower court to hear Stratman's case.

In an attempt to settle, Koniag offered Stratman about 18,000 acres of land if he dropped the case. See History, Page 14

How it all began

Leisnoi got into the logging business on May 11, 1993, when it formed Woody Island Timber Company.

Dyan Conaway was general manager of Leisnoi at the time, and a member of its board of directors.

Conaway said she was asked to take over as manager in October 1993, after the previous manager, Michael Pagano, was dismissed.

At the time, Leisnoi's corporate headquarters were in Anchorage. They didn't move to Kodiak until April 1994.

"I was living in the valley at the time... and I started coming into the office (in Anchorage) to hold things together. Everything had basically fallen apart," Conaway said.

"We had to figure out a way to make some money in a hurry to keep the corporation going, since all of our land has been tied up... for all these years (see sidebar).

"I started right away trying to work out this logging thing," Conaway said.

"My brother-in-law, Stan Olsen, had been involved in logging and selective logging in Alaska, Oregon and Washington for 25 years."

Selective logging is an alternative to clear-cutting. It removes older, mature trees, while leaving most of the forest standing.

Olsen and a friend of his, David "Zeke" Smith, formed a corporation called Environmental Timber Company (ETC), and made a proposal to do selective logging on land Leisnoi-owned at Cape Chiniak, about 45 road-miles southeast of Kodiak.

"We liked the idea of keeping our forest and making enough money to keep going," Conaway said.

So, Woody Island Timber signed a one-year logging license, or contract, with ETC, Conaway said.

Smith and Olsen began felling timber in July 1993.

"It started out OK," Conaway said.

"Then it began to become clear that the agreement we made wasn't working," she said.

"The percentages weren't working, and they were getting farther and farther in the hole," Conaway said.

Under the terms of the logging

'There's no question that we'll be in court for a long, long while.'

Leisnoi attorney Edgar Paul Boyko

license, Leisnoi agreed to pay ETC 53 percent of all revenues from the sale of the logs. After ETC had received \$300,000 in net profits, future proceeds would go to Leisnoi.

Plans called for the logs to be transported by truck to a freight terminal in Womens Bay, just south of Kodiak.

Two other companies, Seaport Terminal Services and Vulcan Company, would store the logs and then ship them to Afognak Island.

The barge shipments would be timed to coincide with the arrival of a freighter that already would be hauling logs from Afognak to Japan.

Sealaska Timber Corporation agreed to act as middleman, buying the logs from Woody Island Timber and then marketing them abroad.

Sealaska gave ETC a \$500,000 cash advance to cover initial expenses. ETC agreed to repay the loan, a bit at a time, as the logs were delivered.

Roughly a half-dozen such shipments were made.

Zharoff, who was named to Woody Island Timber's board of directors shortly after the corporation formed, said he began to question the provisions of the contract almost immediately.

"At that time, the group in charge (of Leisnoi's board) had some problems with the questions we were asking," Zharoff said.

In February, Leisnoi's directors, who determine the makeup of the Woody Island Timber board, removed Zharoff and Dave Imus (another member who was asking questions) from the board, Zharoff said.

Donna Plank, former secretary and treasurer for Woody Island Timber and office manager for Leisnoi, tells a different story.

She says Zharoff suffered from a "Rip Van Winkle" effect.

"He didn't wake up until the money started coming in," Plank said.

"Some of these things he's accusing us of as Woody Island Timber officers, he approved himself, ratified at a board meeting. It's all

in the minutes," Plank said.

After Zharoff left the Woody Island Timber board in February, he and the other dissidents began a campaign to take control of the board.

Allegations of financial mismanagement

Zharoff said his primary reason for wanting to change leadership at the Native corporation was a "concern about financial expenditures and accountability."

Those concerns were described in detail in Leisnoi's July 1994 newsletter, which was mailed to all of Leisnoi's 330 shareholders.

Zharoff calls the newsletter a "compilation" written by several board members, including himself. It says that, during the month of June, an "informal financial and management review was conducted by Leisnoi directors Mike Waller, Fred Zharoff and Edward Ward."

The newsletter says the review uncovered "gross misuse and non-accountability of corporate funds and credit cards by (Leisnoi) employees."

"Some of the improprieties uncovered include (but are not limited to) excessive payroll advances in the thousands of dollars, use of corporate credit cards for personal use, use of corporate credit cards by unauthorized employees, insufficient records to document purchases, stonewalling Leisnoi directors' attempt to access corporate and subsidiary information, and the disbursement of loans to employees without board knowledge or approval."

The newsletter says, "An investigation by the proper authorities is underway to determine the extent of wrongdoing."

Alaska State Trooper spokesman Steve Wilhelm confirms troopers did begin an investigation, "based on a complaint by a couple of (Leisnoi) board members." It is being conducted by the White Collar Crime Division of the trooper's Criminal Investigation Bureau.

Wilhelm said investigators are now waiting for the results of an audit, being conducted by Leisnoi. "If the audit is done, and the outcome shows something to be wrong, we will investigate further," Wilhelm said.

Timeline

1974	
	Leisnoi incorporated under ANCSA
1976	
	Ranchers file lawsuit challenging formation
1980	
	Leisnoi merges with Koniag, Inc.
1983	
	Leisnoi demerges from Koniag
1993	
May 11	Leisnoi forms Woody Is. Timber Co.
May 26	Woody Is. signs contract with ETC.
1994	
March 12	Fred Zharoff & Ed Ward elected to Leisnoi board
June 4	Recall vote. Locks changed at Leisnoi's office
June 18	Recall results reversed. Old office staff returns
June 14	Seaborn files lien against ETC.
June 30	Zharoff's faction regains control of Leisnoi board
July 8	Supreme Court signed. Log shipment goes to Afognak Island.
July 25	ETC files lien against Leisnoi and Woody Is. Timber.
Aug. 8	Leisnoi and Woody Is. Timber file cross claim against ETC.

History—

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suit. Stratman took the offer in 1982.

But by the time the titles were conveyed, Koniag and Leisnoi demerged, splitting the land rights. Leisnoi received the surface, Koniag — the subsurface.

Since Stratman settled with Koniag, he received the subsurface rights, which were of little use to him as a rancher.

Leisnoi refused to convey the surface.

Stratman filed suit again, this time in the state court. He won.

Koniag and Leisnoi appealed. The State Supreme Court overturned the lower court's decision in 1992, ruling that Stratman should have seen the demerger coming.

Since the decision, Stratman has hired a new attorney, Schneider, who calls himself "the

only lawyer crazy enough to take the case."

They returned to the original plan and tried to reopen the case in the U.S. District Court in Anchorage.

Stratman posed the same argument he did in 1976 — Leisnoi was never a village.

And just like in 1976, the court dismissed the case.

Again, Stratman appealed to circuit court, where the case now waits for oral arguments.

Ironically, Stratman will not get any land or money even if he wins.

However, Schneider says his client does not want land. He wants the right to make his initial claim that Leisnoi is a bogus village.

"If he can't have his 18,000 acres, then he ought to have his lawsuit back," Schneider said.

If Schneider and Stratman succeed, the U.S. government will get the land.

Leisnoi has now filed a suit of their own in Kodiak Superior Court. It says Stratman is using the land improperly. It also wants \$324,000 in lease payments.

Stratman counterclaims he has lived on the land so long, he has the right to use it anyway he wants.

Antoinette and James Burton, who joined Stratman in his 1976 claim but later dropped out, are also in court again.

They want two small tracts of land on which they have grazed horses since 1978.

The continuing court battles have been expensive for Leisnoi and have virtually locked up its land.

Settling them is job one for interim CEO Fred Zharoff, who predicted in the company's July newsletter, "I also see us settling those court cases which have been hanging over our heads and holding us back for so long."

audit, being conducted by Leisnoi.

"If the audit is done, and the outcome shows something to be wrong, we will investigate further," Wilhelm said.

The former employees of Leisnoi flatly deny the allegations. Former CEO Conaway said that she, for one, received no payroll advances.

Conaway said use of the corporate credit card "was approved during and after (the) move to Kodiak. I ended this practice in Jan. 1994. All charges were repaid," Conaway said.

Furthermore, Conaway said, "No Leisnoi directors were denied access to corporate records."

"The previous board was working together to keep Leisnoi going. There was no intentional wrongdoing. There were mistakes, just as anyone makes, but each had the best interest of the shareholders as first priority."

Donna Plank agrees. "It was all accounted for. It was all on the general ledger," Plank said.

"There were a lot of moving costs involved in moving the offices to Kodiak. It had been authorized by a previous board member who was president and chairman at the time," Plank said.

Depending on the outcome of the investigation, Plank said she may consider a lawsuit of her own. "I've talked to an attorney about

it. We're kind of waiting to see what happens with this investigation by the troopers. I think we're going to be cleared of any wrongdoing," Plank said.

The third former Leisnoi employee, Cheryl Holtmeyer, also denies the allegations.

"They don't want to listen to anyone's story, they just want to take what they see and go with it," Holtmeyer said.

The "illegal" recall

The takeover at Leisnoi was, by no means, tidy.

It stretched over a period of months.

Zharoff and Ed Ward were elected to the board in March 1994.

Shortly thereafter, they began to organize a recall of board members Conaway and Walter Sargent.

The recall was scheduled to take place at a special membership meeting June 4.

In response, Conaway and others started their own recall effort, of Zharoff and Ward.

"We said we'd do it at the same meeting to save money," Conaway said.

As usually happens at such meetings, most of the votes would be cast by proxy, or written authorizations sent in by shareholders who couldn't attend the meeting.

"The bylaws stated that, in order for a director to be recalled, you See Lesnoi, Page 15

Leisnoi—

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had to have at least 51 percent of the shareholders of the outstanding shares," Conway said.

Although Zharoff's side beat Conway's side in terms of the total number of proxies returned, "neither side had the 51 percent required by the bylaws," Conway said.

"So, when we got to the meeting, Ed Ward said he wanted to change the agenda," she said.

She and the others objected. Because it was a special meeting, they said, only one subject could be discussed: the recall.

"There was an attorney present who told him it couldn't be done," Conway said.

Despite that advice, they went ahead with the motion, Conway said.

Ward amended the agenda to include a proposed change to the corporate bylaws, one that would modify the recall vote would be counted.

"He wanted to amend the bylaws to say that you didn't have to have 51 percent of the shareholders vote to recall a director, you only had to have 51 percent of the shares represented at the meeting," Conway said.

"He made the motion, got somebody to second it and called for the question," Conway said.

The motion passed.

Conway and Sargent were removed from the board ... at least for the time being.

Later that same night, Conway said, the new managers went to the Leisnoi office and changed the locks.

"They, more or less, took over the office," Conway said.

Nine days later, on June 13, the new management team had a change of heart.

"Rather than going through with

the expense of what it would take to have the courts finally decide whether the action on June 4 was valid or not," Zharoff said.

The group decided to return Conway and Sargent to the board and give them back the office, Zharoff said.

Plank said she and the other employees were surprised at what they found — or rather, didn't find — when they returned.

"We got back in the office and there were a lot of documents missing," Plank said, documents that would help disprove the charges levied against Plank and the other employees.

Plank said some of the missing files "showed up magically on our doorstep one night, but there was still a lot missing."

Zharoff admits documents were removed from the office for two or three days — during a brief power failure — but says everything was returned.

Zharoff's group eventually gained control of the corporation June 30, after incumbent board member Dave Buckley resigned. Zharoff and the others were able to get one of their own nominees, Marty Shuravloff, elected to the board, using proxies left over from the March 12 meeting.

Abuse of power?

Zharoff, who is between sessions of the Alaska Legislature, says the job of interim CEO at Leisnoi has had little or no impact on his senate position.

"As complaints or concerns come in, we handle them from my other office," Zharoff said.

Leisnoi is currently advertising for a permanent CEO, and Zharoff hopes he, or she, will be hired before fall.

If anything, Zharoff says, being a state senator has made things easier for him at Leisnoi.

How he uses his position was il-

lustrated in a recent interview with Kodiak's public radio station KMOX-FM, aired a portion of a tape recording made at the Aug. 4 Leisnoi board meeting.

Zharoff was heard to say, "I don't know how we're going to get out of these financial obligations we have. We're using up a lot of goodwill."

"I tell you, I'm using up a lot of goodwill, myself, and my position there with the state."

"A lot of these things we would not be getting — we would not be getting consideration if I was not in the senate. That's come up several times," Zharoff said.

"Consideration from whom," someone asked.

"From the people we have to deal with to get breaks, to get allowances."

"I mean, this has been an asset. It's been pointed out several times," Zharoff said.

"I can talk to state agencies. I can get into the commissioner's office. I can talk to some of the people that are in charge of some of these logging companies, because they have to come back and they have to deal with me later on," he said.

Later, Zharoff added, "I mean, I don't call up and say that this is Fred Zharoff, executive officer of Leisnoi. I call up and say, 'I'm Senator Zharoff, can I speak to so-and-so.'"

"That's really abusing this power a little bit, but it's getting us in and it's getting us some results," Zharoff said.

Later, when asked if the tape was an accurate representation of what he said at the meeting, Zharoff replied, "Probably, things go by so quickly at meetings that — a lot of the time — you don't realize what you're saying."

When asked if his actions really do constitute an abuse of power, Zharoff said, "No, I really don't think so."

It wasn't anything he wouldn't normally do for any other constituent, Zharoff said.

"Any (constituent) that comes in with a complaint that they can't get through to an individual in either the state or the federal agencies, we'll call them up, there, and say, 'This is Sen. Zharoff. I want to speak to so-and-so,' Zharoff said.

"That's basically the context we use here."

Seaport gets nervous

Political and corporate machinations aside, all the changes at Leisnoi during the month of June made the folks at Seaport Terminal Services very nervous.

Seaport's General Manager, Dale Heath, explained just how nervous in a court affidavit:

"On June 9, I was informed by certain Leisnoi Inc. shareholders that Leisnoi Inc. was experiencing a change in leadership on its board of directors and that the likelihood of ETC being able to pay Seaport and Vulcan Company Inc. was not promising."

Since the beginning of operations under Seaport's agreement, ETC had not paid a single bill, Heath wrote.

ETC's outstanding balance, as of June 1, was \$93,890.02.

"Due to the flux and instability of Leisnoi Inc., and the inability to get paid by ETC and the uncertainty has to whether Seaport would ever get paid, I filed, and had recorded, a lien on the subject logs," Heath wrote.



John Pfeiffer photo

Sen. Fred Zharoff

The lien was filed under a little-known section of the Alaska Statutes regulating commercial timber transactions.

That law requires the court to appoint, without notice, a third party "receiver," who takes control of the logs. In this case, the receiver was the Department of Public Safety.

On July 8, however, the parties agreed to settle the dispute, at least temporarily.

According to a stipulation filed with the court, the parties agreed to let some of the logs be shipped to Afognak Island during the first part of July.

Woody Island Timber agreed to pay Seaport and Vulcan \$119,629 from the proceeds of the sale.

The rest of the money went to Sealaska Timber Corporation to pay off a portion of the cash advances given to ETC, Zharoff said.

"I don't think we got anything," he said.

And the lawsuits begin to fly ...

A few days after the stipulation was signed, on July 11, Woody Island Timber canceled the logging license, cutting ETC completely out of the picture.

ETC's attorney, Kirk Wickersham, said his clients were ready to throw in the towel.

"We approached them (Woody Island Timber) and said, 'Okay, you win. If you take over the debts, you can have the logs.'"

Wickersham said Woody Island Timber turned down the offer. "They said they wanted the logs but they didn't want the obligations," he said.

A few days later, on July 25, ETC filed a new lien against Leisnoi and Woody Island Timber, again halting the shipment of logs felled by ETC.

Wickersham said he requested the lien "only to protect ETC's creditors," all the logging subcontractors and suppliers who advanced goods or services to ETC.

"In order for them to get paid, the remaining logs would have to be transported," Wickersham said. "In other words, ETC and its

creditors have put in all of this work over all of these months ... now it's payday and Leisnoi has cut us off," Wickersham said.

Leisnoi's attorney, Edgar Paul Boyko, sees it somewhat differently.

He says ETC's lien is "totally unjustified," and says Leisnoi will fight it.

"We're basically starting a brand new operation," Boyko said.

Zharoff confirms that a new contractor, Ben A. Thomas Inc., began felling timber at Chiniak two weeks ago.

"To the extent possible, we're keeping the same cutting procedures, which are basically selective cutting," Zharoff said.

"We anticipate that we should be able to harvest — conservatively — about 10 to 15 million board feet a year."

In the meantime, the court battle continues.

More creditors have filed timber liens on the logs harvested by ETC.

Boyko has also filed a counter suit on behalf of Leisnoi and Woody Island Timber in Anchorage Superior Court.

The complaint alleges ETC failed to repay more than \$72,000 in loans made to ETC by Woody Island Timber.

It accuses ETC of violating several provisions of the logging license, including "damaging and destroying numerous standing trees," not properly disposing of "slash," and "leaving stump heights of greater than 12 inches."

Among other things, the complaint asks the court to turn over all of ETC's assets to Woody Island Timber. It also asks for a judgment against ETC, "Zeke" Smith and Stan Olsen "in an amount in excess of \$100,000."

ETC's attorney, Wickersham, is busy preparing a response.

"It's quite a ballgame," Wickersham said.

Boyko agrees. "There's no question that we'll be in court for a long, long while," Boyko said.

"It's not exactly what we want to do but we really don't have much choice."



Ross Courtney photo

Logs felled by ETC wait in Seaport's storage yard at Womens Bay. No one can touch them until the courts sort out the competing legal claims.

SEP 09 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Sept 14, 1994
Box 3080

Kodiak AK
996

Trustee Council

6456 St

Anchorage AK 99501

Dear Sirs,

I would like to voice
my support of the council
using some of the restoration
funds to buy land at
termination point on Kodiak
Island. It is a valuable recreati-
on area, enjoyed by residents
and visitors alike. We have
so little area on our road
system available to persons
wanting to explore virgin
forest and termination point
is within 15 miles of town
and an easy day exploration

I would really like
to see it remain undeveloped

Thank you, AT

RECEIVED

SEP 07 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

21
K 9/8

P.O. Box 3269

Kodiak, AK 99615

September 6, 1994

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 H. Street, Suite 40

Anchorage, AK 99615

To Whom It May Concern:

We are writing to express our support of the use of funds to purchase "Termination Point" from Geonac Incorporated. We feel that this area should be preserved from development and used to protect wildlife habitat and to be enjoyed for recreational purposes as it is now. As thirteen year residents of Kodiak, we have frequently hiked in this area and enjoyed its beauty. Please consider using your funds to purchase this area so that it can continue to be utilized by residents and visitors to Kodiak.

Alice M. MacDonough
H. P.

RECEIVED

EXXON VALDEZ OIL SP
TRUSTEE COUNCIL

9-6-94

Exxon Valdez Oil Spill Trustee Council
645 "B" Street, #401
Anchorage, AK 99501

I strongly support turning the area known as "Termination Point" on Kodiak Island into a state park. The 1,000 + acre area is prime habitat for such species as the marbled murrelet, sea otter, sea lion and numerous seabirds.

Sincerely,

Marion Stimp

Cheryl L. Merriman
P O Box 1155
Kodiak, AK 99615

RECEIVED
SEP 09 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

September 9, 1994

Exxon Valdez Oil Spill Trustee Council Restoration Office
645 G Street, Suite 401
Anchorage, Alaska 99501

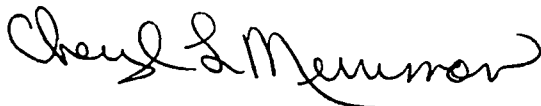
To Whom It May Concern

I am writing to express my feelings that Termination Point on Kodiak Island should be preserved. This area is very unique in that it is an area close to the road system that families can go for nature walks, picnics, ice skating in the winter and use as a great recreation area.

I myself took a class at the college on "Edible Plants of Alaska" and it was to Termination Point that our instructor, Stacy Studebaker, took us to find these plants in their natural settings. I was not aware of what a scenic area this was until this trip. I have since recommended it to others as a great place to go for a hike and take their families.

With this letter I am therefore asking that you consider this parcel as one to be preserved.

Sincerely,



Cheryl L. Merriman

Diana Holt
P O Box 3484
Kodiak, Alaska 99615

September 9, 1994

Exxon Valdez Oil Spill Trustee Council Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501

To Whom It May Concern

It has been brought to my attention that there is a possibility of Termination Point being logged and destroyed of its natural beauty I would therefore ask that you consider this area as one of the parcels that you select for preservation

I have walked the trails at Termination Point many times and have enjoyed the natural beauty and rare plants in that area It would be a shame to loose this area that serves as a recreational release for so many of the local residents of Kodiak Thank you for your consideration

Sincerely,



Diana Holt

RECEIVED
SEP 14 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Traci L. Beinart
P O Box 2287
Kodiak, Alaska 99615

RECEIVED

SEP 12 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

September 9, 1994

 9/27/94

Exxon Valdez Oil Spill Trustee Council Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501

To Whom It May Concern

With this letter I wish to ask that you consider Termination Point on Kodiak Island as one of your parcels to be preserved. This area is very accessible as a recreational area for the people of Kodiak. I would hate to see the old timber cut for lumber and the beauty of the area destroyed.

Thank you for your consideration in this matter.

Sincerely,



Traci L. Beinart

September 14, 1994

RECEIVED
SEP 16 1994

Exxon Valdez Oil Spill Trustee Council
Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501-3451

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

To whom it may concern,

I have lived in Kodiak for 6 years and have been a biologist/naturalist for the same amount of time. Recently many of my favorite hiking, bird watching and general recreating areas have been sold for logging and private subdivisions. Most of the land along the road system is native owned and can be developed. Termination Point is one of the most beautiful, lush, tree lined sections along the road system. It is home to a variety of plant and animal life (some of it rare-orchids, marbled murrelets). It also provides year round recreational opportunities for residents as well as visitors alike. (On a typical Kodiak day-rain and wind) one can find refuge under the huge Sitka Spruce and because of the varied habitat one is always able to view wildlife.

The entire Termination Point coastline was oiled as a result of the Exxon Valdez oil spill in 1989 and hardened oil has been found by various visitors along the beaches during this summer (1994).

By purchasing Termination Point a number of precious habitats will be protected for use by recreational, historical, rare and varied wildlife and plantlife.

Thank you for your consideration

Sincerely,

Susie Byersdorfer



Date: September 16, 1994

To Exxon Valdez Oil Spill Trustee Council

From: Robin Schaeffer
P O Box 2133
Kodiak, Alaska 99615
(907) 487-2765

Re Termination Point Acquisition

This letter is to express my support of the acquisition of the Termination Point property in Monashka Bay, Kodiak, Alaska. I encourage the council to expend funds to purchase and protect this area, one of the few forest systems of any size accessible from the road side. Lesnoi, in the past, has allowed public access for school, nature and private groups to enjoy forest ecosystems. Our community values and uses Termination Point extensively as a trail system and for related recreational and academic purposes.

As a person who has occasion to travel frequently in the states of Washington and Oregon, it grieves me to anticipate timber and/or gravel harvest of the magnitude common to these states on the Kodiak road system, or within the archipelago at all.

Please, consider my opinion as you approach your final decision regarding Termination Point acquisition.

Sincerely,



Robin Schaeffer

KODIAK ISLAND MEDICAL ASSOCIATES

BRAD BRINGGOLD M D • FAMILY PRACTICE

1818 EAST REZANOF DRIVE • KODIAK ALASKA 99615 • (907) 486-6065 or 486-3177

RECEIVED

SEP 22 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

September 21, 1994



Mr Jim Ayers, Executive Director
Exxon Valdez Settlement Trustee Council
645 "G" Street
Anchorage, Alaska 99501

re habitat on Kodiak and Afognak

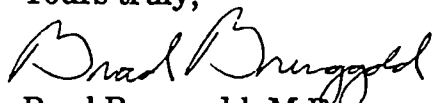
Dear Mr Ayers

Sadly I understand that some of our native corporations plan to clear cut areas on Kodiak and Afognak which I consider to be prime recreational and habitat areas. Since 1982 I have lived and worked here, and I have been fortunate enough to enjoy these and other portions of this archipelago. In the early 1980's my family and I used to go to the upper end of Danger Bay to a beautiful valley inhabited by elk, deer and bear where we loved to hike and hunt and fish. Now Danger Bay has been clear cut. Those areas that are not lunar landscapes or impassable seas of limbs and brush have some scrub growth, but I doubt they will be forested in our lifetimes much less be returned to their original splendor.

Plans are afoot to clear cut Termination Point on Monashka Bay and much of the north end of Afognak Island. Termination Point, the view out my front windows, has terrific hiking trails, a fine silver salmon run accessible by road, and abundant wildlife. In the Spring I can see deer on the beach across the Bay, and for me, this marks the end of Winter and the return of life to the Island. Not only are they threatening to clear cut it, but another corporation wants to make it into a gravel pit. I can not express the disgust I feel for these "native peoples" who have so little regard for their native lands. North Afognak, less accessible and pretty much untouched, is what Danger Bay was once.

Please consider these areas for setting aside. I have no problem with logging if it is done in a sustainable way with consideration for the long term use of the land. I used to live in a national forest area in Arizona where multiple uses were sustained. It breaks my heart, however, to go to Danger Bay now, and the thought of losing Termination and North Afognak is worse. Let me know how I can best help save these prime areas from destruction.

Yours truly,


Brad Bringgold, M D

2 October 1994

Dear Council

I finally saw what a beautiful place Kodiak is when I visited the island for the first time this past summer. My guest from Outside and I spent three gorgeous days exploring the "tip" of this beautiful place.

One of the most beautiful parts of the trip was the three-mile "Coastal Trail" that goes to Termination Point. It has now come to my attention that this trail may be threatened by logging or development. After hiking on this trail, it is obvious what a tragedy this would be. I am writing this letter to ask you to consider protecting this trail and the forest that surrounds it. It is a wonderful, and fairly accessible, hike into Alaska's temperate rainforest.

Thank you for your consideration

Sincerely,

Beth Carlson

Beth Carlson
19632 Delphin Cir
Eagle River AK 99577

9/24/94

Dear Trustee Council

In reference to the trail to Termination Point on Kodiak Island, I'm writing to ask you to buy back this area and preserve it. As a former Kodiak resident, I hiked this route several times. The rainforest through which the trail runs is beautiful, serene, and easy to access. I loved the old growth forest in there - it would be a real shame to let loggers in there, when so much other land, less beautiful and historic, exists on other parts of Kodiak. I also enjoyed visiting the old cabin at the end of the trail - a journal inside was filled with the impressions of other visitors who, like me, appreciated the beauty and quiet of the forest.

Please consider protecting the trail to Termination Point and the surrounding forest. It's a lot more valuable as a cultural & environmental refuge than it would be as a logging area. Thank you.

RECEIVED
SEP 27 1994

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Sincerely,

Kathleen Kernoley

Box 287

Sterling, AK 99672

9/28/94
Kern



Kodiak State Parks
CITIZENS' ADVISORY BOARD

S R Box 3800
Kodiak, Alaska 99615
Tel 486-6339

RECEIVED
OCT 11 1994

October 9, 1994

Exxon Valdez Oil Spill Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501-3451

Ken 10/12/94

Dear Trustee Council Members

The Kodiak State Parks Citizens' Advisory Board, at the September 19, 1994 Board meeting, by unanimous vote, supports acquisition of Termination Point, Kodiak Island. This tract of land, owned by Leisnoi Inc., was nominated for a "small parcel" acquisition by Stacy Studebaker on July 14, 1994.

On behalf of the Board, I would like to express to you some of the outstanding qualities of the Termination Point land parcel. In 1940-43, military observation posts were established on Termination Point as well as foot trails. The remains of these historic structures are still visible and the foot trails (both coastal and interior) have been used extensively by the public for recreational hiking after construction in the 1970s of the Monashka Bay Road to the trail head. Termination Point is one of the few relatively virgin habitat areas remaining on the road system within approximately 12 miles of Kodiak City. The habitat in this parcel, although dominated by mature stands of Sitka spruce, is varied with small lakes, wetlands and creeks, open meadow areas, rocky high cliffs along the coast and two gravel and sand beaches. This varied habitat, adjacent to Monashka Bay, supports to some degree, nearly all of the animal species injured by the oil spill. The diversity of the Termination Point habitat and animal species, in fact, is one of the reasons why the trails are so popular with recreational hikers, wildlife observers, and the Audubon Society. The mature forest provides winter habitat for deer and concentrations of deer are often visible along the beaches in winter. The tract has at least one known archeological site.

Termination Point and Monashka Bay was oiled in 1989 and impacted by the oil and clean-up activities. Mammals and birds exposed to the oil were killed and recreational activities along the coast were curtailed because of the presence of oil globules and Exxon crews.

Unfortunately, Termination Point habitat and the animal life this habitat supports is again threatened. The landowner, Leisnoi, intends to log this area in the near future after the Chiniak log sale is completed. However, Leisnoi has expressed willingness to consider nomination, appraisal, and sale of the Termination Point tract as stated on the Nomination Form.

The Kodiak State Parks Citizens' Advisory Board supports the nomination of Termination Point for acquisition and requests your consideration of the outstanding qualities of this small land parcel for restoration of injured resources in the Kodiak area. Please keep us advised of progress in the small land parcel acquisition process and let us know if any further information is needed on the Termination Point nomination.

Sincerely,

KODIAK STATE PARKS CITIZENS' ADVISORY BOARD


Roger F. Blackett
Chairman

copy Claire Holland, Kodiak District Park Ranger

When I first heard that Termination Point was in danger of destruction, I was stunned, speechless. It was like hearing that I was about to lose a limb for no good purpose. I have lived here since infancy, so I suppose I took the magnificent beauty of Termination Point for granted—as if anyone in the United States could picnic in old-growth forest, go hunting and fishing and berry-picking in the shadow of trees that may be older than the Constitution. I struggled for months to find the words to express to someone who may never have seen it exactly what Termination Point means to me, and to many of the people who live here. Finally a very wise friend advised me to write from the heart.

If you come to Kodiak in July—if, God willing, the forest is still there—call me and I will take you walking on a path that might have been laid out by a master gardener of imperial Japan. I will show you an entire thicket of the rare sweet yellow strain of salmonberry next to bushes full of tender blueberries the size of marbles and not a worm in any of them. I will lead you down a shaded walk heavy with the fragrance of rein orchid though not a blossom is to be seen. There are tiny streams there that wind like miniature rivers with minuscule cliffs and shoals; their water is clear and full of gentle music, and birds bathe fearlessly next to the path. Eagles soar high over the trees, their cries echo off the slanting faces of the hills. Maybe we will see the prints of deer and fox, so new that fresh water is still welling into them. Green alder leaves will be scattered on the moss among the tiny white flowers called shy maiden or single delight. The hermit thrushes will be singing like fairy flutes in the high branches, in July, they hardly stop even to breathe, day or night.

If you come in the right season we can go fishing in the river next to the woods or hunting among the thickets of devil's club whose broad flat leaves cover entire hillsides with a second forest floor. We can go three-wheeling or biking if that is your inclination, it kicks up a lot of mud, but the forest has plenty of room for people who walk and people who ride. Or we could hike all the way to the tip of the point and strain to see the shores of Spruce Island through the fog. Bring your camera or you will wish you had. We can camp if you like, and wake up to the scolding of squirrels in the morning.

Or you can visit the new gravel pit, your choice.

Termination Point is not pristine, not perfect. I have seen garbage and spent shells everywhere, the remains of someone's party. I have also seen a long line of people who apparently thought they were in a park solemnly piling bag after bag of trash around someone's homemade burn barrel until it was almost burned. To be fair, they had out-of-state plates, so they probably couldn't conceive of a place that was just *there*, where nobody had been hired to clean up after them, where they had to take responsibility. Even if Termination Point is no longer in immediate danger of destruction, I urge you to acquire it to save it from people like that who love it too much but care for it too little. I understand that this will probably lead to posted rules, gravel paths, railines, interpretive exhibits, and the like, but if I must see Termination Point domesticated or destroyed, I will choose the lesser of two evils.

Still I can hope. I urge you not only to acquire the Termination Point area from the river to land's end, but to keep it as it is. Let it be a place where people can hunt or bike or walk or picnic as they please, without fee or regulation. Give the land to the Nature Conservancy or some other group that will *leave it alone*. The idea that wilderness is a separate place with boundaries on a map, someplace where we only go on special occasions and under certain conditions, used to be foreign to this community, but it has sprung up like a poisonous mushroom. Let there be one wild place left near town where the only regulations are those of personal responsibility and community law, a place that is free to all. Considering human irresponsibility and destructiveness, this is probably a vain hope. If you cannot save Termination Point as I love it, please save it as you can.

Jennifer T. Langan
P O Box 3354
Kodiak, 99615
486-1757

J. Langan 2/14

Hans U Tschersich, M D
1423 Baranof Street
Kodiak, AK 99615

10 Febr 1995

Re Testimony given to the Exxon Valdez Trustee Council in Favor of the
Acquisition of Termination Point Land near Kodiak - A Small Parcel

Dear Members of the Council:

I have often hiked the many wooded trails and kayaked the rocky shores of this beautiful recreational area so close to the town of Kodiak. I included these very accessible trails into a recently published hiking guide that has become popular with locals and visitors alike.

Termination Point is an area full of terrestrial and maritime wildlife, since the dense forest provides winter cover for deer and many other creatures. The cliffs along Monashka Bay are home to sea mammals and provide wintering shelter for many sea birds.

In short The Termination Point Area is a unique area for humans and animals alike. Therefore I recommend the purchase of this land with funds from the Exxon settlement. This will save the area from threatened logging and preserve it for the many wildlife species. In addition it is easily accessible for healthful human enjoyment and provides needed parkland close to the growing City of Kodiak.

Sincerely,



Hans U Tschersich



Mike Sirofchuck**Box 970****Kodiak, AK 99615****907 - 486 - 6498**

February 12, 1995

TO THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL:

**PLEASE APPROVE FUNDING FOR ACQUISITION OF TERMINATION
POINT IN KODIAK.**

This parcel acquisition offers superb opportunities for habitat restoration as well as recreation. Termination Point will tie in with Kodiak Island Borough lands to create a large section of preserved old growth Sitka Spruce forest, thus providing habitat for a number of species affected by the oil spill. Furthermore, a traditional hunting and recreational area will be protected from exploitation and development. I urge you to approve the acquisition of Termination Point.

Sincerely,

Mike Sirofchuck

Kodiak, AK

To The Exxon Valdez Oil Spill Trustee Council

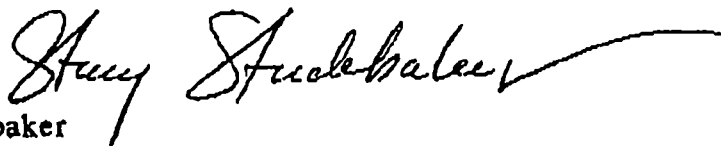
2/13/95

Please protect Termination Point It is a very important piece of land to the community of Kodiak It offers unique, year round, multi-use recreation in one of the only old growth Sitka Spruce forests accessible from our road system

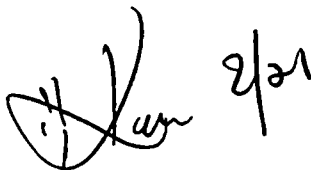
The Marine Recreation Council recently nominated the Kodiak Borough land immediately adjacent to Termination Point as it's Number 1 priority for funding This means that the Kodiak Borough is committed to maintaining and upgrading a prime recreation area which allows trail access to the Termination Trail system

Please don't let a natural treasure be lost to clear cutting

Sincerely



Stacy Studebaker
PO Box 970
Kodiak, AK 99615



Afognak Island
3/22/95

Ms Molly Mc Cammon
Executive Director
Exxon Valdez Oil Spill Trustees Council
Restoration Office
645 G St
Anchorage, AK
99501-3451

RECEIVED
MAR 31 1995

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Ms McCammon

There was an article in the 3/16/95 Kodiak Paper requesting our comments concerning the buyout of Termination Point on Kodiak Island for a State Park

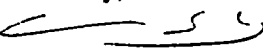
Since the government already owns 88% of Alaska and manages most of it for non development, I do not understand why we need to take any more private tax paying land out of production to create another Park. We have cut the Park department budget in 1994 and cannot afford to run the parks that we now have. Even though the proposed purchase is from "free" oil spill money it still costs money to administer a park. Most of Kodiak Island is in the Wildlife Refuge and managed like a park. Adding another 1028 Ac for recreation is a waste of money.

Termination Point was not impacted by the oil spill. Buying it has nothing to do with oil spill restoration.

If Termination Point is critical habitat and needs to be purchased, why not take 1028Ac from Seal Bay or some other park that we don't need, and put it back in private ownership?

When the oil money runs out, private land and a diversified private sector economy will be the only things left to finance our growing state government. We will not survive if all of us become government employees and there is no one else left to pay the bills.

Sincerely,


William S Haag
Bx 1159
Kodiak, AK
99615

KONIAG, INC.

4300 B Street, Suite 407, Anchorage, AK 99503

(907) 561-2668 • FAX (907) 562 5258 •

April 13, 1995

Ms Molly McCammon
Exxon Valdez Oil Spill Trustee Council
645 G Street, Suite 402
Anchorage, Alaska 99501

RECEIVED
APR 17 1995

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Ms McCammon,

As you are probably aware, for the past several months there has been a grass-roots movement in the Kodiak conservation community to have the EVOS Trustees acquire the 1028 acre tract known as Termination Point as a part of its oil spill mitigation program. This virgin tract owned by Leisnoi, Inc /Koniag, Inc (surface/subsurface respectively) is located just at the terminus of the all-weather Monashka Bay Road, about four air miles and ten to eleven road miles north of Kodiak City. Because of its location, the tract receives considerable de facto recreational use, with long used foot trails incised into its ground.

Notwithstanding all the publicity the proposed acquisition has generated of late, to the best of my knowledge no one from either the local community or the EVOS Trustee Staff has formally or informally approached or contacted the landowners. I can state as fact that neither has contacted Koniag, Inc.

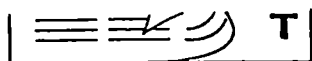
This letter is to advise you that if the EVOS Trustees are contemplating a possible purchase of Termination Point, it would be prudent to negotiate with both surface and subsurface owners for the entire fee estate. The Trustees should understand that as the owner of the dominant estate (the subsurface) Koniag, Inc would fully exercise its right to develop that estate especially for the extraction of sand, rock, gravel, armour rock, etc.

Sincerely,
KONIAG, INC

John Merrick

John Merrick
Manager, Lands and Resources

cc Leisnoi, Inc



Unclear title could slow Termination Point buy

By GLORIA CANTENS
Mirror Writer

The lead negotiator for several Exxon Valdez Oil Spill Trustee Council projects last night told a group of about 20 that unclear title could slow down the acquisition process for Termination Point

"If you could get Mr. Stratman and Leisnor Inc. to resolve their legal problems, that would help," said Al Swiderski, lead negotiator for many of the acquisitions, including Termination Point

The Ninth Circuit Court of Appeals and an Anchorage trial court recently cleared the way for rancher Omar Stratman to proceed with his decertification suit against Leisnor Inc.

Stratman is waiting for the court to rule on an injunction that would halt logging on the corporation's lands in Chiniak. Stratman also has filed a lis pendens (which gives notice of a pending lawsuit that may affect title) for Termination Point.

The decertification suit throws title to the parcels into question.

Representatives from the council, including Executive Director Molly McCammon, were in Kodiak Thursday to listen to public comment on the long-term restoration plan.

Most of those present last night supported the council's acquisition of Termination Point, a 1,028-acre tract that is a documented marbled murrelet habitat.

The parcel also contains an active beaver pond and archaeological resources and is a popular recreational spot for hikers, campers and sport fishermen.

McCammon told them the message was loud and clear.

"The file is this big," she said, holding her hands wide.

Those gathered also received an update on council activities and plans for FY96.

The council has spent \$300 million of the \$410 million it has received from the Exxon Corp. Another \$300 million of the total settlement have been committed.

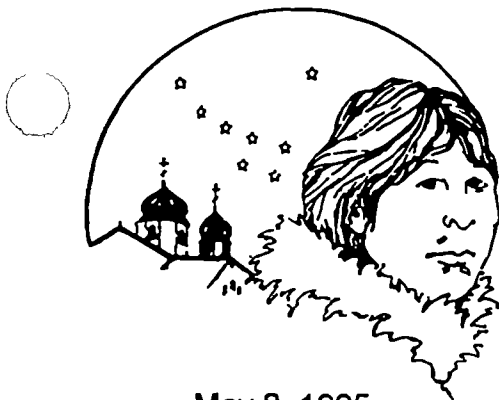
More than \$342 million have been spent on habitat acquisition.

About \$15 million were spent on the new Alutiq Museum and Archaeological Repository. Many local treasures used to be sent off-island because of a lack of adequate housing.

A forecast of work planned for 1996 is outlined in the *Draft Restoration Program, FY 96 and Beyond*, which is available from the Restoration Office at (907) 278-8012, or toll-free within Alaska at (800) 478-7745.

Comments on the Program must be received by May 1 to be incorporated in the final decision process.

KAP 145



Kodiak Island Borough

710 MILL BAY ROAD
KODIAK, ALASKA 99615-6398

May 8, 1995

RECEIVED
MAY 11 1995

Molly McCammon, Executive Director
Exxon Valdez Oil Spill Trustee Council
645 G Street, Suite 401
Anchorage, AK 99501

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Molly,

Per our recent discussion, enclosed is the Kodiak Island Borough Resolution No 95-23 prioritizing small parcel acquisitions in the Kodiak region. As indicated in the resolution, this priority is the result of input from all of the local staff people of the state and federal and private resource agencies on Kodiak Island as well as public interest, especially in Termination Point.

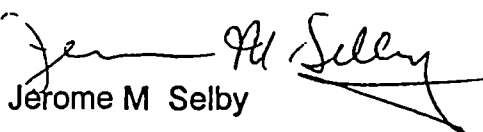
As is obvious from our list, all parties were disappointed that the importance of commercial fisheries apparently had little value in the EVOS staff rating system since the weir sites did not rate very high. It also appeared that proximity or access to large parcel acquisition was not considered in the evaluation process. Many of these parcels are critical to the large parcels that are being acquired. The highest priority parcels on our list tend to have multiple special merit values for resources and services injured by the Exxon Valdez oil spill. We are not sure the multiple factors were given enough consideration. We hope this can be corrected now.

If there are any questions, or if additional information is needed on any of the parcels, please let me know and we will obtain the information for you as quickly as possible.

I look forward to working with you and the Council on the acquisition of these parcels.

Sincerely,

OFFICE OF THE MAYOR


Jerome M. Selby

Enclosure

Introduced by	Mayor Selby
Requested by	Mayor Selby
Drafted	Mayor Selby
Introduced	05/04/95
Adopted	05/04/95

**KODIAK ISLAND BOROUGH
RESOLUTION NO 95-23**

**A RESOLUTION URGING THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
TO ACQUIRE CERTAIN SMALL PARCELS
WITHIN THE KODIAK ISLAND BOROUGH
AS PART OF THE SMALL PARCEL ACQUISITION PROGRAM**

WHEREAS, the Exxon Valdez Oil Spill Trustee Council has determined that acquisition of certain high value and special merit small parcels of land should be acquired as part of the overall restoration process resulting from the Exxon Valdez oil spill, and

WHEREAS, many more parcels have been nominated and identified for consideration than can possibly be bought with the available funds by the Trustee Council, and

WHEREAS, the Kodiak Island Borough has worked with the area's federal, state and local agencies that have an interest in restoration of the fish, marine mammal, bird, and wildlife species that were impacted by the oil spill, and in that process has been able to define and identify critical habitat areas of property which have special merit value for the injured resources or services, and

WHEREAS, many of the parcels that have been identified in this process of the Kodiak Island Borough working with the various agencies include outstanding wilderness areas, outstanding subsistence and recreational value areas, necessity for commercial fisheries habitat or management, outstanding critical habitat areas for the various species of birds and animals, and outstanding estuary areas for species protection for the future health of the ecosystem, and

WHEREAS, many of these outstanding parcels have the multiple feature of being critical access areas for the larger parcels which have been acquired by the Exxon Valdez Oil Spill Trustee Council through the large parcel acquisition process, and

WHEREAS, it is extremely difficult to identify the most important parcels meriting acquisition without having first hand knowledge of these areas, having lived in the Kodiak Island Borough area, and understanding the inter-relationships of the parcels and the importance of their multiple features which are deserving of special merit for consideration of purchase, and

WHEREAS, the Kodiak Island Borough has completed a very careful and thorough process with the U S Fish and Wildlife Service, the Alaska Department of Fish and Game, the Kodiak Regional Aquaculture Association, the Alaska State Parks system, and other agencies to identify the parcels which have multiple special merit value for inclusion in the restoration program

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH that the Exxon Valdez Oil Spill Trustee Council is urged to give careful and thoughtful consideration to the list of parcels which have been selected as a result of a great deal of research by the multiple agencies and are recommended for acquisition to the Trustee Council by the Kodiak Island Borough on the basis of the multiple special merit value for resources and services injured by the Exxon Valdez oil spill

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH that the outstanding wilderness, subsistence, commercial fisheries resource, critical habitat, recreational value, and access to larger parcel acquisitions concerns have been included in this recommendation and should be carefully considered by the Trustee Council in making a decision to acquire these parcels

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH that the parcels which should be acquired in the Kodiak Island Borough in the following order of priority are

PARCEL	LOCATION
KAP 145	Termination Point
KAP 150	Karluk Weir Site
KAP 130	Uyak Bay
KAP 226	Karluk Lagoon
KAP 220	Ayakulik River
KAP 151	Ayakulik Weir Site
5 Acres (parcel# unknown)	Pauls Bay Weir Site
5 Acres (parcel# unknown)	Litnik (Afognak River) Weir Site
5 Acres (parcel# unknown)	Perenosa Weir Site
5 Acres (parcel# unknown)	Malina Weir Site
5 Acres (parcel# unknown)	Upper Station Weir Site

5 Acres (parcel# unknown)	Akalura Weir Site
15 Acres (parcel# unknown)	Dog Salmon Flats Weir Site
5 Acres (parcel# unknown)	Red River Weir Site
5 Acres (parcel# unknown)	Waterfall Weir Site
36 Acres (parcel# unknown)	Kitoi Bay Hatchery Weir Site
5 Acres (parcel# unknown)	Thorsheim Weir Site
5 Acres (parcel# unknown)	Horse Marine Weir Site
5 Acres (parcel# unknown)	Karluk Lake Weir Site
KAP 116	Sulua Bay
KAP 140	Uganik Bay
KAP 109	Sulua Bay
KAP 262	Halibut Bay
KAP 106	Brown's Lagoon
KAP 139	Uganik Bay
KAP 245	Gurney Bay
KAP 246	Bumble Bay
KAP 247	Halibut Bay
KAP 252	Deadman Bay
KAP 96	Sitkalidak Strait
KAP 101	Sitkalidak Strait
KAP 104	Kiliuda Bay
KAP 131	Kiliuda Bay
KAP 132	Sitkalidak Strait
KAP 133	Kiliuda Bay
KAP 137	Kiliuda Bay
KAP 105	Three Saints Bay
KAP 100	Kiliuda Bay

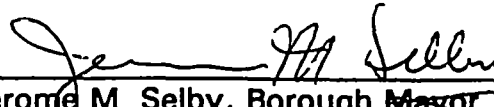
KAP 107	Shelikof Strait
KAP 125	Shelikof Strait
KAP 138	Kiliuda Bay
KAP 142	Three Saints Bay
KAP 143	Kiliuda Bay
KAP 115	Uyak Bay
KAP 98	Shelikof Strait
KAP 99	Kiliuda Bay
KAP 102	Sitkalidak Strait
KAP 103	Sitkalidak Strait
KAP 108	Uyak Bay
KAP 110	Kaiugnak Bay
KAP 114	Uyak Bay
KAP 123	Kaiugnak Bay
KAP 126	Three Saints Bay
KAP 134	Three Saints Bay
KAP 135	Kiliuda Bay
KAP 136	Kiliuda Bay
KAP 144	Three Saints Bay
KAP 91	Sitkalidak Strait
KAP 93	Sitkalidak Strait
KAP 127	Sitkalidak Strait
KAP 270	Three Saints Bay
KAP 271	Three Saints Bay
KAP 272	Three Saints Bay
KAP 244	Halibut Cove
KAP 263	Kiavak Bay

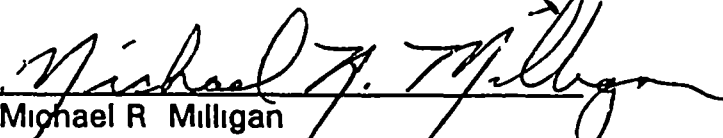
KAP 128

Kaguyak Bay

ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS FOURTH DAY OF MAY, 1995

KODIAK ISLAND BOROUGH


Jerome M. Selby, Borough Mayor


Michael R. Milligan
Deputy Presiding Officer
for Mary A. Monroe, Presiding Officer

ATTEST


Donna F. Smith, CMC, Borough Clerk



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

PO Box 2368 Kodiak Alaska 99615 (907) 486 5930 • Session State Capitol Juneau Alaska 99801 465-2487

May 5, 1997

Ms Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council
645 "G" Street, Suite 401
Anchorage, Alaska 99501-3451

RECEIVED
MAY 9 1997

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Ms McCammon

Thank you for your response to my letter of support for the Long Island nomination for the Small Parcel purchase program. The petition from Kodiak residents to raise the ranking from "moderate" to "high" in the comprehensive habitat protection process speaks to the widespread support of this particular parcel. It is my understanding that the Trustee Council authorized the department to conduct an appraisal of the Long Island parcel, is this true? The community support for this purchase, and my own feeling as a longstanding member of the community, is that the Long Island parcel is more appropriate for acquisition than the Termination Point parcel currently ranked as "high". It is also my opinion that the Termination Point parcel is a piece of land that the private sector needs to purchase for development for the long term growth of Kodiak's population.

Long Island has been a favorite recreational spot for Kodiak residents, and it is a valuable wildlife habitat. Purchase by the Exxon Valdez Oil Spill Trustee Council will ensure the protection of this area from logging and other commercial uses and allow for continued recreational uses by the residents of the community.

Thank you for your consideration and attention to this clarification of my strong support for a purchase priority, if EVOS can reprioritize, of the Long Island Small Parcel property.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alan Austerman".

Alan Austerman
Representative District 6

PHONE COMMENT LOG

Name	Affiliation	Phone	Address
Hans Chetani Tschersich		907-486-5648-4 -9521- ^o	Kodiak

Add to mailing list? Yes ☒ No ☐ Newsletters only ☒ Technical Docs + ☐

Date of call 7/1/97 Comment taker Milly Melam

Subject of comments Termination Pt.

Comments

support termination pt. acquiesce

from public use standpoint - Term Pt is better.

from ecological standpoint - both Term Pt and Long Island are good.

Termination Point deal could be soon

By JEFF RICHARDSON
Mirror Writer

The purchase of more than 1 000 acres of land at Termination Point could be completed within the next few weeks according to the executive director of the Exxon Valdez Oil Spill Trustee Council.

Preservation of Termination Point has become a priority for EVOS trustees. Molly McCammon said at a meeting Wednesday at the borough assembly chambers.

Once an appraisal has been completed — a process that should be finalized in the near future — she said the council will begin negotiations with Leisnor Inc. to purchase the popular trail system.

If everything works like clockwork, you could conceivably have an agreement on Termination Point in two to four weeks, she said.

The Termination Point deal has become such a focus for the group in fact that McCammon said other possible purchases at Long Island and Cape Chiniak have been put on hold.

She said those small parcel purchases will be looked at once a Termination Point sale has been fully explored.

They haven't said yes, they haven't said no, McCammon said. They've just said, Right now we don't want to decide on this.

Despite the interest in Termination Point — and possible purchases at Long Island and Cape Chiniak — McCammon said EVOS trustees are starting to run out of money. Although the Exxon settlement

earmarked \$900 million for land acquisition, habitat protection and research, she said the money is starting to dwindle.

A number of large purchases — including \$36 million for Shuyak Island — have taken big bites out of the EVOS council's spending money.

McCammon said two high-dollar parcels remain in the Kodiak area. Purchase of land at the Karluk and Sturgeon rivers, which are owned by Koniag Inc., is currently under negotiation.

A large piece of land on north Afognak Island has also been under negotiation all summer, but McCammon said expensive timber in the area has complicated the deal.

One advantage Kodiak has, McCammon said, is a vocal, well-organized population. She said Kodiak residents have been the strongest advocates in the state for habitat protection and land acquisition.

Members of the EVOS public advisory group heard from several Chiniak residents Wednesday who said Cape Chiniak should be strongly considered for preservation.

Judy Lucas said the accessible Chiniak wilderness would be a wonderful spot for a borough park. And Woody Koning said both Leisnor and Kodiak residents are excited about sparing the land from more logging.

It's a real shame to see the forest destroyed and the habitat destroyed for income stream when the owner is looking for another alternative, Koning said.

Exxon oil spill trustees consider Kodiak purchase

KODIAK (AP) — Trustees overseeing Alaska's Exxon Valdez oil spill settlement may purchase more than 1 000 acres at Kodiak's Termination Point

The tract owned by the Kodiak Native group Leisnoi Inc, features a popular trail system

Preservation of Termination Point has become a priority for the trustees said the council's executive director Molly McCammon

The trustees land purchases are aimed at acquiring recreation and wildlife lands to offset parcels marred by the Exxon Valdez oil spill in 1989

McCammon said a purchase agreement could be in hand within a month The trustees also were considering smaller purchases at Long Island and Cape Chiniak

Trustees manage a \$900 million settlement paid by Exxon following the Prince William Sound oil spill in 1989

McCammon said the council remained interested in other Kodiak tracts, including a site at the Karluk and Sturgeon rivers owned by Koniag Inc, another Kodiak-based Native group

ALASKA JOURNAL OF COMMERCE
SEPTEMBER 15, 1997

ECONOMIC DEVELOPMENT

- The Alaska Science & Technology Foundation will invest up to \$1.5 million for development of an intelligent electronic device by Distributed Solutions Inc of Anchorage that, installed in power plants, could significantly lower the cost of electric power in Alaska communities. The device uses digital technology to remotely control and monitor the operation of diesel generating units. DSI is a subsidiary of Alaska Power Systems.

- Alaska has won \$286 million in the first round of welfare-to-work grant funding from the U.S. Department of Labor. The money is to help create job opportunities for the hardest to employ welfare recipients. Nationwide, \$1.1 billion was awarded.

TOURISM

- Princess Cruises carried 61,000, or 9 percent more, Alaska cruise tour passengers this summer and a record 124,000 Gulf of Alaska passengers, or 16 percent more traffic than a year ago. Princess is owned by Peninsular and Oriental Steam Navigation Co. Rick James, Princess' senior vice president of sales and corporate relations said 1997 has been the best year ever for the company in Alaska.

"Bookings for next year's Alaska season are going extremely well and there's every indication that next summer will be just as successful," James said.

- MACTel Inc has donated \$150,000 to the Alaska SeaLife Center in Seward, according to fund raisers for the building project. About \$50,000 of the donation will be granted in the form of communications services and





RECEIVED
NOV 17 1997

November 12, 1997

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Molly McCammon
Executive Director
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
645 G Street, Suite 401
Anchorage, Alaska 99501-3451

Dear Ms McCammon

The Kodiak Island Convention & Visitors Bureau (KICVB) supports the acquisition of private lands in the Kodiak Island Borough for use as public lands for mixed-use recreation. As the Council continues to evaluate land acquisitions, we urge you to give full consideration to the nominated lands in the Kodiak area.

We are aware that negotiations are underway for the acquisition of Termination Point, an important recreation site on the Kodiak road system. Hopefully these negotiations will soon be finalized. As the Chiniak and Long Island nominations move forward in your evaluation process, we hope they will receive favorable consideration as well. Like Termination Point, these two nominated parcels offer a variety of recreational options for residents and visitors.

Thank you for your consideration of Kodiak area lands. If you have any questions, or require further comment, please call on the KICVB.

Sincerely,

Dan Busch
President, KICVB Board of Directors

pc Friends of Chiniak