

**RESOLUTION 14-01 OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING TERMINATION OF AND FINAL PAYMENT
UNDER THE MASTER AGREEMENT WITH KONIAG INC.
AND RECORDATION OF RELEASE OF INTERESTS**

WHEREAS in 2001 the *Exxon Valdez* Oil Spill Trustee Council (Council) resolved to provide funds for the United States and the State of Alaska to enter into a long-term agreement with Koniag, Inc. (Koniag) for the protection, through various easement instruments, of approximately 57,000 acres of Koniag-held lands on Kodiak Island within the Kodiak National Wildlife Refuge;

WHEREAS pursuant to a Master Agreement For Protection Of Certain Lands And Resources Between Koniag, Inc., The United States Of America, And The State Of Alaska (Master Agreement) that became effective the following year, \$29,800,000 was set aside in a special account from which yearly payments were to be made to Koniag in October of each year, beginning in 2003, for a Conservation Easement and a Camp Island Limited Development Easement (Easements) covering the aforementioned lands and, potentially, the sale of the fee interest in those lands to the United States;

WHEREAS the initial term of the Easements covered by the Master Agreement was ten years, and Koniag was to notify the United States no later than April 14, 2012 (as to the Camp Island Limited Development Easement) and no later than July 15, 2012 (as to the Conservation Easement) whether it would convey these lands, extend the individual easements (and the yearly payments) for an additional ten-year period, or allow the Easements to expire on October 14, 2012;

WHEREAS the Master Agreement was amended twice in 2012, initially extending the notification date to October 1, 2012 and subsequently to a date thirty calendar days after the Council's first regularly scheduled meeting in 2013 and, at the same time, the parties agreed that that the Master Agreement and the Easements would expire thirty days after receipt of the notice by Koniag of its election to terminate and that the Year 11 payment would be reduced on a pro-rata basis, to be paid no later than ninety days after the required notice;¹

WHEREAS at its first regularly scheduled meeting in 2013, the Council authorized the extension of Koniag's opportunity to elect termination of the Master Agreement and Easements to thirty calendar days after its next regularly scheduled meeting;

WHEREAS the Council's next regularly scheduled meeting was held on October 28, 2013;

¹ Year 11 of the Easements ran from October 15, 2012 through October 14, 2013.

WHEREAS the Year 11 payment was transferred to Koniag on October 25, 2013;

WHEREAS on November 22, 2013, Koniag provided notice to the Council, the State of Alaska and the United States of its election to terminate the Master Agreement, including the Conservation Agreement and the Camp Island Limited Development Easement; and

WHEREAS pursuant to Section 13 of the Master Agreement, Koniag may request that the United States and the State of Alaska execute a Release of Interests or other documentation suitable for recording that acknowledges the termination of the Master Agreement and any easements granted thereunder and the release of any Koniag lands from the terms of those easements;

The Council now finds, after review and consideration of public comment, that:

1. As a result of the actions outlined above, the Master Agreement terminated on December 22, 2013 and that the appropriate pro-rata payment to be made to Koniag for the 69-day period of Year 12 of the Easements, *i.e.*, from October 15, 2013 to December 22, 2013, is \$140,684.38; and
2. If requested by Koniag, a release of the federal and state interests in the lands covered by the Easements or other similar documentation, as described in Section 13 of the Master Agreement, would be appropriate.

THEREFORE, by unanimous consent, we request that the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice and the Alaska Department of Law take such steps as are necessary for the Council to provide \$140,684.38 in joint settlement funds from the Koniag Sub Account of the Investment Fund to Koniag by February 20, 2014, and we further request that the appropriate agencies of the United States and the State of Alaska, upon the request of Koniag, execute and record in the Kodiak Recording District appropriate documentation acknowledging the termination of the Master Agreement, the Conservation Easement and the Camp Island Limited Development Easement and the release from their terms of the Koniag lands that were the subject of those agreements.

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Approved by the Council at its meeting of January 27, 2014 held in Anchorage, Alaska,
as affirmed by our signatures affixed below.


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Forest Supervisor
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U.S. Department of Agriculture


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