

Ouzinkie Native Corporation Newsletter - June 2007

Darren Muller Sr. appointed to vacant seat

Born in Kodiak, Darren Muller grew up in Ouzinkie, and then later graduated from Ouzinkie School. From there, he went on to attend college in Seattle for two years and he studied Construction Design and Building, and after finishing the two year program, returned to Alaska. Married to Faith (Chichenoff) Muller, they have six children.

Darren is currently employed with the Ouzinkie Tribal Council, as the Construction Manager. He facilitates the design and construction of projects by organizing materials, equipment, and crews to accomplish projects set forth by the Tribal Council.

Darren has been very active throughout the community. He has served a number of years on Ouzinkie's Advisory School Board, both as a member, and later as President. His involvement with school board issues has commonly reached the ears of Kodiak. He has brought up concerns with the "NO CHILD LEFT BEHIND ACT" and the upkeep of Borough buildings, specifically the Ouzinkie School and its seismic upgrades. Last year, in 2006, he submitted an election ballot to become a Village representative for the Kodiak Island Borough School District. Even though losing by a little over 100 votes district wide, he has been encouraged by many to run again.

Darren's other community involvements currently include a seat on the City of Ouzinkie as Secretary/Treasurer. One project he has been instrumental in is the continuation of a multimillion dollar Water/Sewer project contracted by the Alaska Native Tribal Health Consortium (ANTHC).

Darren also sits on the Ouzinkie Community Holding Corporation, a non-profit, organized to hold Halibut and Sable fish Quotas for the village. Duties include working with the community, gathering ideas together to purchase the quotas and also finding methods on how to distribute the Community Fishing Quotas (CFQ) to the fisherman.

Darren also sits as a Board of Director for Spruce Island Development Corporation (SIDCO). This Board is made up of members of all three entities of the Community: The City of Ouzinkie, The Ouzinkie Tribal Council, and The Ouzinkie Native Corporation. This board was formed to bring community members together, where an Economic Development and Business Plan are in its later stages of completion. From this plan, SIDCO plans to apply for grants and set goals where employment opportunities can take place for people associated with Ouzinkie.

As a new ONC Director, Darren looks to the new challenges that lie ahead. He would like to see training and employment opportunities for shareholders not only living in the village, but for those living elsewhere as well. Darren wants people to see him as an honest, straight forward guy, who they can call or talk to anytime. In return, he hopes to be able to answer any questions shareholders may have and be inclined to bring suggestions back to the board. He wants to be able to carry on the values of the corporation and its land and continue to find ways of providing for its shareholders.

2007 Dividends Declared

Shareholder Dividends for 2007 have been set at \$10 per share or \$1000 per quarter for an original shareholder with 100 shares.

Greetings from the Chairman and the President

In the last newsletter, we introduced Ms. Debbie Smith, Vice President, who had 12 years of government contracting experience before joining our management team. I am very pleased to report that Ms. Smith's experience has been a real asset, as the number of ONC's government contracts and related revenues have been growing rapidly. Most of the revenue growth has been achieved by Defense Training Systems (DTS), a division of International Logistics Support Corporation (ILSC), based in Payson, AZ. ILSC is 51% owned by ONC. DTS provides training to the U.S. Marine Corps in simulated middle-eastern battle conditions prior to the soldiers being deployed to Iraq and Afghanistan.

ONC formed a new wholly owned subsidiary called SimSystems, based in Orlando, FL. This entity formed a Joint Venture with another firm and the JV was recently awarded a substantial 10 year contract by Raytheon to provide simulator training and maintenance services at U.S. Army locations around the globe. As the majority partner in this JV, SimSystems will earn 51% of the revenues from this contract.

Regardless of how anyone feels about America's war on terrorism effort in the middle-east, it is personally rewarding to know that our subsidiaries are directly involved in providing training that saves soldiers' lives. It is our sincere hope that all ONC shareholders will also share in this source of pride.

On other operations, ONC's investments in recreational facilities and commercial real estate continue to prosper. Also, the company that buys our timber from Afognak Island has indicated that it wants a follow-on 6-year contract to purchase an additional 150 million board feet of timber beginning January 1, 2008. This buyer recently opened a new sawmill and finished wood products plant in China, which can process Afognak logs.

As you know, the Kodiak Kenai Cable Company's (KKCC) fiber optic system connecting Kodiak Island to mainland Alaska is operational. As KKCC's telecom customers acquire more capacity on the fiber optic system, ONC expects to begin earning attractive returns on this investment. As we expected, the Old Harbor Native Corporation, majority owner of this system, has been an excellent partner in this venture.

To the long-term benefit of shareholders, ONC's continuing success at recognizing and seizing attractive opportunities in diversified areas of business is strengthening the company financially.

On behalf of the board and staff of Ouzinkie Native Corporation and its' subsidiaries, we wish you a great summer.

Best regards,
Jackie Muller, Sr., Chairman of the Board
Michael G. O'Connor, President & CEO

Newsletter Information

We are looking for more information for our newsletters. We would like to add obituaries, updated scholarship recipient information and random photos of shareholders. If you have any information you would like to share in our newsletter please contact Debra Garner or Joan Chichenoff.

ONC's Shareholder/Descendant Skills Database

Ouzinkie Native Corporation will be creating a Shareholder Skills Database. The database will be a proactive tool for management in fulfilling our goals of attaining shareholder hire where ever possible within our corporation and their subsidiaries. Likewise, as our corporation moves forward with government contracting, we will be listing on our website all job openings within the subsidiaries along with the appropriate company job application, so if you see anything of interest, you will have all the materials necessary to apply.

This initial message is to inform you of the database project and to be expecting an introductory letter and a Skills Inventory Questionnaire in your mail by June 30, 2007.

Strategic Planning Report by Debbie Smith VP

February 28th through March 2nd, 2007, Ouzinkie Native Corporation held a Strategic Planning Retreat along with their regular February Board meeting in Homer, Alaska at the Land's End Resort. There were 12 presenters that covered subsidiary reports as well as an ONC Portfolio report from Phil Yonker and NOL report from Jim Hassel of Mikunda Cottrell. The feature presentation was an informative discussion on government contracting by attorney, William K. Walker. Mr. Walker has over 18 years of experience representing the interests of Alaska Native Corporations and small businesses in the federal market place. Since Ouzinkie subsidiaries are moving forward in government contracting, Mr. Walker's presentation and hand outs on rules, roles, and responsibilities were well received by the Board.

Ouzinkie Government Services, LLC's (OGS) president, David Stephens, reported on operations of Defense Training Systems (DTS) and the progress of the OGS, formed to manage and support the government contracting subsidiaries efforts. They learned that the Marine Corps is so pleased with the program support and management provided by DTS, that the Corps is in negotiations with DTS to expand the Role Playing Services to cover all Marine Corps facilities world-wide with the exception of one in California presently under contract with another ANC. Mr. Stephens reported that OGS will not be hiring any employees to populate the infrastructure of OGS until revenues from the subsidiaries increase. Meanwhile, the folks at DTS, ONC Corporate, and Mikunda Cottrell, are providing the services to sustain our subsidiaries in their infancy.

There were also reports from Eric Ohlson, Director of Marketing for DTS, and James Glynn, Director of Contracting for DTS and President of ONCOR, LLC.

Finally, the presentations concluded with an appearance by Father Michael Oleksa, who gave an informative and always humorous talk on human nature and how we are all products of our culture, which really affects how we communicate, especially with those who are not from our culture. During our Strategic Planning session we discussed our Vision and Mission for the Corporation. The Mission Statement approved by the Board is:

'The Mission of Ouzinkie Native Corporation is to develop profitable business enterprises to provide maximum financial return and other benefits to our shareholders while preserving our culture and protecting our lands.'

We examined the corporation's financial path from ANCSA to the present. As ONC makes the diversification into Government Contracting, it is important to examine where we've been and where we are going with our immediate plan for expansion in this area. The CEO's for ONCOR, ChemTrack, and DTS, discussed in detail their accomplishments, revenue goals and future growth plans. The Board also discussed improving shareholder career development by continuing the scholarship program, (which they approved increasing by 50%) assisting with resume preparation, developing shareholder skills data bank, and hiring shareholders whenever possible.

ONCOR

ONCOR LLC, was formed in 2004 and is in the process of applying for 8(a) certification from the U.S. Small Business Administration (SBA). ONCOR President, James Glynn, anticipates filing the application by May 1, 2007. Beginning March 1st of this year, ONCOR started performing on three small commercial contracts. The contracts are for providing Facilities Support Services at the O'Malley Gardens and the O'Malley Ice Arena, as well as a subcontract with ABM Security Corporation to provide security services at the U.S. Postal Service facility transfer station in Birmingham, Alabama. The purpose of these small contracts is to gain past performance in the federally recognized primary business code for Facilities Support Services and in the secondary business code for Security Guards and Patrol Services. With the booked revenue earned by May 1st, we are in position to file our SBA 8(a) certification application.

Defense Training Systems Finds Mark with Marines

Defense Training Systems, (DTS) is a division of International Logistics Services (ILSC). ONC is a 51% owner in ILSC. DTS pursues opportunities in the areas of training system design, implementation and maintenance. Recent world events have changed the role of our military, and retraining our forces effectively and efficiently has become an urgent requirement. The sudden and rapid increase in insurgency and Improvised Explosive Devices (IEDs) in Iraq changed the focus of our troops on the ground from combat to anti-terrorism and counter-insurgency techniques.

Broadly speaking, training can be broken into three main categories: Live, Virtual and Constructive. Live training involves providing instructors, course materials, and props for training events. Virtual training takes many forms which include technology-based courses (distance learning, e-learning, video conferencing, etc.), and simulators (ground combat vehicle simulators, flight simulators, marksmanship simulators etc.). Constructive training is comprised of often complex aggregates of live and virtual training elements.

In 2006, DTS earned just under \$4 million in revenues providing role playing services, and is on track to earn meaningful revenue increases in 2007.

Live training is the primary focus of DTS. The largest growing market segment in the live training field is role playing services. A role playing contract consists of providing skilled actors, props, and curriculum or script development to the government. For example, DTS was awarded its first contract to provide role playing services to the U.S. Marine Corps at Camp Lejeune, North Carolina. In this contract, DTS is providing 50 actors of Iraqi origin living in the U.S. to play the part of civilians, insurgents, soldiers and police in a mock village on the USMC base. Our project managers work with the Marine Corps to develop realistic training scenarios to better prepare the Marines for the conditions they will experience when they travel to Iraq.

Mobile urban training facility unveiled

Cpl. Brandon Holgersen

MARINE CORPS BASE CAMP LEJEUNE, N.C. --

Marines now have another training tool to prepare for their deployments to Iraq. The Marine Corps' first Mobile military operations in urban terrain training facility was officially unveiled here April 3 and will be open for training in May.

The facility is named Nisr min Al-Bahar or "Eagles from the Sea" in English.

"This will be the premiere training facility on the east coast," said Lt. Gen. James F. Amos, the commanding general for Marine Corps Combat Development Command. "This is the most important business in the Marine Corps."

The training facility is modeled after real towns in Iraq and Afghanistan and covers 29 acres of land and cost more than \$15 million to construct. It consists of 71 buildings, five of which contain 360-degree shoot houses to support live fire training. The buildings within the complex are one to three stories tall and include indoor and outdoor stairwells and ladders.

The complex also features more than 100 automated targets including eight moving armor targets, five moving infantry targets, two tunnel complexes and battlefield effects simulators, which will simulate improvised explosive devices and rocket propelled grenades.

"Anything we can do to make the training more realistic for Marines is crucial," said Maj. Stephen Kahn, training officer with the Training and Operations Office, 2nd Marine Division. "A good portion of our training is mental preparedness. This will help Marines understand what they are going to see, so when they get over there it won't be totally foreign for them."

To further enhance the facility, speakers are in place to sound the call to prayer and provide city sounds. Iraqi nationals will also be contracted to roam the streets as locals, Iraqi army soldiers or to play as insurgents.

The mobile aspect of the facility describes the construction characteristics of the buildings. Each structure, which consists of eight foot by 40 foot shipping containers joined and arranged to form multiple designs. Each module is not permanently affixed to the ground or together so they may be rearranged in order to change and adapt the training environment as needed to remain relevant to current operations.

ONC's interest in Kenai Cottages Transferred to Homer Spit Development Company

ONC transferred its interest in the Kenai Cottages Development Project to the Homer Spit Development Company (HSDC) project for the construction of high-end luxury condominiums being built on ocean front lots immediately north of Lands End Resort in Homer. Kenai Cottages' lots were not selling as anticipated, so ONC transferred its interest over to HSDC, where faster returns are anticipated. This is a 9-phase development project with phases 1-6 complete. Information on the project can be viewed at www.landsendlodges.com.

Log Ship Loading Jobs - Restricted List

If you are on Southeast Stevedoring's Restricted List for an infraction involving drugs or alcohol at the Danger Bay Camp, it is possible for you to get back on the Call Out List. First, you will have to complete the suspension period, which for the first offense is 120 days, second offense 180 days, and refusal to take a Urinalysis (UA), 1 year suspension. Regardless of the length of suspension, testing is required to get back on the Call Out List.

After the time of suspension is concluded, you may go to Providence Kodiak Island Counseling Center (907-481-2400) between the hours of 8:00 a.m. and 5:00 p.m. on Tuesdays or Thursdays, and submit for a voluntary UA. You are responsible for the cost, which is \$63 for Non-DOT testing. Request the report be faxed to Southeast Stevedoring at 907-225-8254. Upon receipt of a cleared UA, Southeast Stevedoring will notify the Dispatcher, Jackie Muller, Sr., to add your name back to the Call Out List.

Traveling out of State?

Are you an Alaska Native/American Indian who receives medical services through ANMC? If so, to ensure you have proper health coverage when traveling out of state, be sure to obtain a dated, signed letter from Contract Health Services at ANMC before leaving for your trip. This will help provide continued health coverage to you and your family while you're away from Alaska. To get more information and/or set this up, call Yvonne Tanape at Contract Health Services, 1-800-478-1636.

Shareholder Birthdays

June

1 - Karen Foster
2 - Melodi Anderson, Chandra Cardno
3 - Robert Chernikoff
4 - Love & Katherine Panamarioff
5 - Andrea Taylor, Rikki Torsen
6 - Brocklyn Wegdahl
8 - Janet Lestenkoff, Caroline Elie, Viola Johnson, Donna Schmitz
9 - Phillip Katelnikoff, Jordes Spellman
13 - Antoinette Rudick
16 - Norma Selanoff
18 - Donald Foster Jr.
19 - Howard Beans, Laura Boskofsky
20 - Martha Anderson
21 - Duke Delgado Jr.
23 - Martha Delgado
26 - Hawkan T. Haakanson, Peter Shanagin
27 - Stanley Johansen, Darice Shoemake
28 - Peter Meads
29 - Darryl Friel, Earl Miller
30 - Lori Florence, Maressa Nelson

July

1 - Andrea Boskofsky
3 - Denise Ashwood, Althea Barone, Kathleen Subry
4 - Curtis Chernikoff
5 - Allen Boskofsky, Jodie Pahmeier
7 - Debra Stolle
8 - Arlene Oshel, Vicki Panamarioff
9 - Herman Squartsoff, Chris Opheim Jr., Joshua Chernikoff
11 - John Berndt
12 - Eric Ressel
13 - Stormy Panamarioff
15 - Jo Ann Torsen
16 - Leona Barfield, Steve Yagashoff
17 - Dora Pestrikoff, Shirley Wolkoff
18 - Renee Vail
20 - Roy Moe
21 - Gene Anderson
22 - Joyce Kuder, William F.Torsen
23 - Nadina Brown, Mary J. Schmidt, Tricia Squartsoff
26 - Lisa Chernikoff, Lita Ecklund, Nicolleen Hughs, Daniel J. Smith
28 - John Squartsoff
30 - Dorothy Morrison
31 - Chris Tweten

August

1 - Peter Chichenoff, Frances Thompson
2 - Katrina Boskofsky
3 - Dax Panamarioff
4 - Donna Dennis, Hawkan J. Haakanson
6 - Arthur Haakanson, Clinton Haakanson, David Pestrikoff
7 - Theresa Geditz
8 - Rhonda Moe
9 - Esther K. Chernikoff, Mary & Polly Katelnikoff
10 - Robert Foster
11 - Alice Lewis, Angela McKenzie, Trenton Nelson
12 - Audrey Holien
18 - Jackie Muller Sr., Jeanette Wesley
20 - Doneen Griggs, Ted Panamarioff
21 - Jeannette Chernikoff
22 - Sophia Clarion
23 - Martha Flores
24 - Ken Anderson, Douglas Lohse
25 - Craig Opheim, Devin Skonberg
26 - Donna Cawley, Donna Dittmer, Lydia Lochard, Theresa Thompson
27 - Angeline Campfield
29 - Frederick Deveau Jr.
30 - Franklin Davis, Nicholas Pestrikoff, Harold Squartsoff
31 - Roberta Kelley, Michael Smith