

Ouzinkie Native Corporation News - June 2008

Partial State Funding Approved for Ouzinkie's Planned New Dock

Two years ago, the State of Alaska approved a \$570,000 grant to be used toward the development of a replacement dock at Ouzinkie. PND Engineers of Anchorage has been contracted by the City of Ouzinkie for surveying, designing, engineering, obtaining permits and preparing documents for construction.

In 2008, the State of Alaska approved \$1,150,000 for the replacement dock in the States's Capital Budget. The State of Alaska also approved a Transportation Bond Bill, which includes an additional \$2,850,000 for the replacement dock. The Transportation Bond Bill will be a proposition requiring voter approval in the upcoming November General Election. If this proposition passes, a total of \$4,570,000 will be available for replacing the dock at Ouzinkie.

Many thanks to Alan Austerman and Sen. Gary Stevens for their efforts in obtaining these funds. Sen. Gary Stevens has committed to continue his efforts to obtain additional funding in future years, as the current budget for a replacement dock is \$6,140,000. Alan Austerman will also continue working with State and Federal agencies and the Alaska Delegation in Washington, D.C. to obtain additional funds needed for the project and related economic development.

Operations Report

Timber

The timber sale contract with Trans-Pac Alaska has been extended another 5 1/2 years. However, Trans-Pac will be purchasing less timber during the extension period. Currently Afognak timber is being shipped to South Korea and China. No timber is expected to be sold in Japan, which several years ago, was the primary market. The timber markets have not shown improvement, but Trans-Pac bears all the market-place risk, not ONC.

Recreational Investments

ONCOR, a wholly owned subsidiary of ONC, entered contracts to provide the personnel to maintain and operate the O'Malley Ice Arena and the O'Malley Gardens. With such contracts, ONCOR was able to apply for SBA 8(a) certification, which was recently granted. The Katmai Wilderness Lodge is on track to post its best year ever. Through Polaris Gaming Group, ONC will continue receiving fees for developing the Angel of the Winds Casino for the Stillaguamish Tribe near Marysville/Arlington, WA until October, 2009.

Commercial Real Estate Investments

Construction of 2 new office buildings at San Juan Capistrano (SJC), CA and a new office building at Corona, CA is complete. Negotiations are underway to sell the 2 new buildings at SJC, CA to prospective buyers. Construction of a new office building at Chandler, AZ is complete, while the start of a second new office building, also at Chandler, has been postponed. Construction of the first 2 new flex space (combination office/warehouse/retail) buildings at Wasilla is complete, while construction of the second 2 new flex space buildings at Wasilla is now underway. Construction of 3 more high-end condos is underway at Homer adjacent to the Land's End Resort. Two of the condo units are pre-sold

and the third unit is being aggressively marketed. Except for the condos which will be sold, all completed commercial buildings are being leased up while the Platinum Building in Anchorage is 100% leased up.

Government Contracting

Katmai Government Services (KGS), the holding company established to manage ONC's various government contracting subsidiaries, continues to grow. Recently, Defense Training Systems, a division of a KGS subsidiary, was awarded a five year contract to provide live training support services to the US Marine Corps at various locations throughout the country. Also, the government recently awarded a five year software engineering project to another KGS subsidiary. Under this contract the KGS subsidiary will develop software that runs important command and control systems currently deployed in both Iraq and Afghanistan. Pending approval by the SBA, ONC will become the 100% owner of ChemTrack (the name will be changed to Katmai Technical Services) and will shift its focus to outside of Alaska where there are fewer 8(a) competitors and many more opportunities. These awards are important steps in realizing the goal set by the ONC Board of Directors: specifically, for the Katmai Government Services and its subsidiaries to become major government contracting entities such as other Alaska Regional and Village Corporations have been able to Achieve.

2008 Annual Meeting and Election Date Set

The 35th Ouzinkie Native Corporation Annual Meeting of Shareholders will be held Friday October 3, 2008 and is scheduled for 10:00 am at the Ouzinkie Cultural Center in Ouzinkie.

Statement of Intent and Biography Deadline

Any Shareholder of record owning at least 75 shares who is a Native or Descendant of a Native and an Alaska Resident wishing to run for the board of directors may do so by contacting the ONC office in Ouzinkie to request a Statement of Intent Form.

Statements of Intent and Biographies must be received at the Ouzinkie ONC office by 4:00 pm August 13, 2008 in order to be included in the ONC Annual Proxy Statement Materials. Contact the office at (907) 680-2208 or (800) 680-2208 if you have any questions.

Shareholders who duly submit a Statement of Intent shall be identified in the Corporation proxy statement as candidates for election at the October 3, 2008 Annual Meeting of Shareholders, and shall be listed on the Corporation's proxy form as candidates.

Directors whose terms are up this year are: Evelyn Mullan, James Skonberg Sr., and Howard Torsen.

2007 Annual Meeting Results

At the Annual Shareholders Meeting held in Ouzinkie on September 21, 2007, three directors were elected to serve a three year term on the board. The newly elected board members are: Jackie F. Muller Sr., Gene Anderson and Vickie (Delgado) Novak.

The ONC Board and staff would like to thank Mr. Nicholas Pestrikoff Sr. for his years of dedication and hard work on the ONC Board and for his tireless efforts in the committees on which he served.

Jackie Muller Sr. was re-elected to Chairman of the Board, James Skonberg retains the seat of Vice-Chairman and Theodore Panamarioff is now Secretary of the Board.

President Michael O'Connor and Vice President Debbie Smith were in attendance as well as the following guests: Robert (Bob) Hume - Attorney, Phil Younker - Financial Advisor, Jimmy Yun - Mikunda Cottrell, John Sturgeon - Concor, Steve Agni - O'Malley Ice Arena/Gardens and Kenai Cottages, Duncan Fields - Shoreside Consulting and James Glynn - ONCOR.

2008 Dividends Declared

At its' regularly scheduled meeting of January 24, 2008, the Ouzinkie Native Corporation Board of Directors approved a motion to set the quarterly dividends at \$12.50 per share. An original shareholder with 100 shares will receive quarterly dividends in the amount of \$1,250.00.

The Denali Commission Awards the City of Ouzinkie, the Ouzinkie Tribal Council and the Ouzinkie Native Corporation with the 2007 Sustainability Award

Anchorage, AK - December 3, 2007 - The Denali Commission is pleased to announce the 2007 recipient of the Denali Commission Sustainability Award. The Commission's Award recognizes and supports those working to ensure the long-term health, viability, and stability of their community. Organizations considered for this award have demonstrated exceptional planning of sustainable projects, anticipated changes in their community and gauged societal expectations, needs, new business, workforce development and technological developments.

The Commission is pleased to present the Sustainability Award to the partnership of the City of Ouzinkie, Ouzinkie Tribal Council, and Ouzinkie Native Corporation. Together these organizations formed Spruce Island Development Corporation (SIDCO), a 501(c)(3); SIDCO is a vehicle for all these entities to work together with a primary focus on economic development.

SIDCO developed a community comprehensive plan of which transportation is the center piece. A new dock will begin design in the Spring of 2008 and an airport rebuild is in the works. SIDCO is also looking at starting a custom fish processing plant. This is a community that is setting the stage for the next generation.

The Denali Commission recognizes SIDCO's work in their efforts of economic development within their community and is pleased to present the City of Ouzinkie, the Ouzinkie Tribal Council, and the Ouzinkie Native Corporation with the 2007 Sustainability Award. The Denali Commission recognized Ouzinkie's efforts at their quarterly meeting held in Anchorage on November 29, 2007. Sharon Anderson accepted the award on behalf of Ouzinkie.

Alutiiq Masks Tour Alaska

Imagine if you could see the world through your ancestors' eyes. Alutiiq people will experience a glimpse of their remarkable past through Giinaquq - Like A Face, an exhibition of 19th century masks from Kodiak. Collected by a French anthropologist in 1872, these rare pieces of Alutiiq spiritual life are returning to Alaska for an eight-month tour. Thirty-four carved images will help viewers understand

Alutiiq rituals and provide a unique view of traditional Alutiiq Art.

Mark your calendars. The exhibition, a creation of Kodiak's Alutiiq Museum and the Chateau Musee of Boulogne-sur-Mer, France, will be on display in Kodiak from May 24th through September 27th, and then displayed at the Anchorage Museum at Rasmuson Center from October 2008 through January of 2009. The Anchorage display coincides with the 2008 Alaska Federation of Natives conference. Learn more at the Alutiiq Museum's website at www.alutiiqmuseum.org.

Newly Elected Board Member Vickie (Delgado) Novak

As the newest member of the Board I wanted to introduce myself and tell you a little about me. I live in Anchorage. My mother is Sonja (Katelnikoff) Delgado from Ouzinkie, and my father Refugio (Duke) Delgado from Susanville, California. I have 3 brothers: Joe, Gene and Duke Delgado. From an early age, service has always been a part of my life. I was in grade school when I began helping Mrs. Smith in the medical clinic in Ouzinkie. I have for much of my life worked in the medical field in hospitals, clinics, nursing homes and home care.

I was away from Alaska for approximately 20 years and in that time attended some college but also garnered a vast amount of life experience. I was a hospice volunteer for 10 years, worked for approximately 2 weeks at ground zero just after the 9/11 disaster. I went to Sri Lanka for 6 weeks for disaster recovery after the tsunami in 2005 in the position as lead coordinator. I have traveled to Canada, Ecuador, Brazil and Peru to learn from the indigenous peoples in those countries. In Brazil I also helped to support schools along the Rio Negro in the deep rain forest.

I lived in Minnesota for 14 years where I co-owned a couple of small businesses. The first was Novak Flower Farm where I grew and sold flowers and vegetable seedlings wholesale as well as fresh and dried flowers to florists. Heart of the Earth was the other business I was involved in which I was a personal growth consultant. I also raised cows, pigs, chickens, and turkeys and bees as well as farmed part of the land we owned.

I moved back to Alaska over a year and a half ago with the goal to be of service to my own people here in Alaska. I was appointed to the Koniag shareholder committee in Anchorage and also decided to run for the board of directors of ONC. Thank you for your trust and belief in me. I have been and will continue to do my very best for our corporation. I am working hard to learn all aspects of the business. My focus is fiscal responsibility and the long term sustainable growth for the corporation. Another interest I have is to improve shareholder communications and relations. I am very encouraged at the direction our corporation is moving right now. It is an exciting time of growth and opportunity for us, especially through our 8(a) subsidiaries and it is my honor and privilege to be a part of it. Thank you for electing me to the board and I look forward to our continued growth and prosperity!

With respect and gratitude, Vickie (Delgado) Novak

Name the ONC Newsletter

Ouzinkie Native Corporation is having a "Name the ONC Newsletter" contest. this contest is open to all Ouzinkie Native Corporation shareholders and descendants. The selected name will entitle the winner to \$100 and recognition in the upcoming newsletter.

Submit your entry by August 31, 2008 to:

Jennifer Torsen
Ouzinkie Native Corporation
11001 O'Malley Center Dr., #204
Anchorage, Alaska 99515

For questions, please call our Anchorage office at: **(907) 561-2452** or **1-866-561-2452**.

Ouzinkie Graduating Classes of 2008



Standing - Darren Muller Jr., child of shareholders Faith and ONC Board Member, Darren Muller Sr., Seated - Flora Shanagin, daughter of shareholder George Shanagin Jr., and Elena Kelila, and Wylder Clarion, son of shareholder Sophia Clarion and her husband Danny Clarion Sr.



Front - McKayla Peterson, grandchild of shareholder George L. Shanagin Jr., Middle - Dominic Santillana, great grandchild of shareholders Nicholas and Lilly Pestrikoff, Back - Pariscovia Muller, daughter of Faith and Darren Muller Sr.

Submit an ONC Stock Will to be Eligible for Cash Drawings

ONC is holding 2 cash drawings to encourage shareholders to complete valid Stock Will Forms and submit them to the corporation. As you will read in the section below, when a shareholder passes away without a valid Stock Will Form, or a Last Will & Testament that addresses the deceased shareholder's ONC stock, the heirs will not have a say in how the stock is distributed.

The names of all living shareholders who have submitted a valid ONC Stock Will Form to the corporation, whether in the past or in this drive, will be entered into the drawing. The first drawing deadline is July 31, 2008, and consists of three (3) \$100 prizes. The second deadline is the date of the Annual Meeting on October 3, 2008, and consists of three (3) \$250 prizes. Names entered in the first drawing will also be entered in the second drawing.

What Happens if You don't Have a Stock Will?

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Below is an explanation of how stock is distributed without a valid will. ONC is required by Alaska law to divide your shares as follows:

1. Married, with children - 50% goes to your spouse, 50% is split equally between the biological/legally adopted children.
2. Married, no children - spouse inherits 100%.
3. Not married - children inherit equally (biological and/or adopted. If a child has died, the issue(s) of the deceased child (your grandchildren including those legally adopted) split that portion of the stock your children would have inherited.
4. Not married - no children - biological parents inherit equally.
5. Not married, no children, parents deceased - biological/adopted siblings split the stock. If sibling has died, the issue(s) of the deceased sibling (your nieces or nephews biological and/or adopted) inherit their parent's share.
6. If, after a minimum of seven years, and every effort has been made to locate potential heirs but Ouzinkie Native Corporation has been unable to locate any, the stock reverts back to Ouzinkie Native Corporation.

Shareholders needing additional information can call:

Ouzinkie Office: **1-800-680-2208** or **(907) 680-2208**

Anchorage Office: **1-866-561-2452** or **(907) 561-2452**

How Death Benefits are Decided

By Robert "Bob" H. Hume Jr., Attorney for ONC

Most shareholders are aware of the death benefits paid to Ouzinkie Native Corporation shareholders, but they may be unaware of how decisions are made regarding the death benefits.

The death benefit amount set out in the death benefits settlement trust. The amount is \$250 per share with a \$25,000 maximum and a \$500 minimum. Benefits are paid only one time per share. All shares outstanding as of February 18, 2000 are eligible.

ONC contributes money to the death benefits settlement trust, but the trust and death benefits are administered by a separate board of trustees. The current trustees are: Nicholas Pestrikoff - Chairman, Linda Malutin - V. Charman, Katherine Panamarioff - Secretary, Gene Anderson - ONC Director, James Skonberg - ONC Director, Michael O'Connor - Manager, Debra Garner - Ex Officio.

Whenever a shareholder dies, the board of trustees confirms the death and the amount of death benefit available. The purpose of the death benefit is to assist the deceased shareholder's family with funeral and related expenses, including embalming, cremation, or burial, visitation or other funeral services, transport for survivors, and transport for the body of the deceased shareholder. Monies also may be used to pay amounts owed by the deceased shareholder to ONC.

The board of trustees decides who receives the death benefits. The death benefits settlement trust provides that death benefits be paid to an appropriate member of the family of the deceased shareholder "*as determined in the absolute discretion of the Board of Trustees.*" In other words, it is up to the board of trustees to decide which family member or members should receive the death benefits.

The board of trustees considers all information in deciding who should receive the death benefits. It considers who the deceased shareholder recommended should receive the money, but it is not required to pay the person the deceased shareholder recommended. It considers the deceased shareholder's surviving spouse and who will inherit the deceased shareholder's ONC shares, but it is not required to pay the death benefits to the same persons who receive the deceased shareholder's shares.

After taking all available information into account, the board of trustees uses its best judgement and discretion to decide who should receive the death benefits. The board of trustees acts by majority vote.

The Death Benefits Settlement Trust provides that "*Any decision of the board of trustees as to who should receive death benefits payments shall be final and shall not be appealable under any circumstances.*" If a family member is disappointed with a decision by the board of trustees, he or she can ask the board of trustees to reconsider and change the decision. Individual trustees cannot change the decision. The ONC board of directors and staff also cannot change the decision. Only the board of trustees can decide who will receive the death benefits.

Any shareholder desiring to review the Death Benefits Settlement Trust documents should contact the ONC office to get a copy.

How Shares are Inherited

By Robert "Bob" H. Hume Jr., Attorney for ONC

Most shareholders are aware that Ouzinkie Native Corporation decides who inherits a shareholders ONC shares when he or she dies, but they and their family members may be unaware of how ONC makes these decisions.

ONC makes its decisions based on information provided to it in an inheritance affidavit. Typically a surviving family member provides an inheritance affidavit, but anyone with information about a deceased shareholder can provide an inheritance affidavit. Several people can provide inheritance affidavits about a deceased shareholder.

If the inheritance affidavits show that the deceased shareholder had a stock will or a general will that meets basic legal requirements (for example, stock wills need to be signed dated and notarized), ONC will transfer the shares as specified in the will.

If the inheritance affidavits show that the deceased shareholder did not have a stock will or a general will, or the will fails to meet basic legal requirements, ONC will follow the rules set out in Alaska law when someone dies without a will (called "intestacy"). These rules can be complicated, but generally provide for the shares to be divided among the shareholder's surviving spouse and descendants. If there are none, then the shares go to surviving parents, surviving descendants of either parent, or surviving grandparents and their descendants.

ONC has no authority to transfer the shares in any way that varies from the directions provided in a will or the intestacy rules provided by state law. It cannot transfer the shares to the person who "should" receive them or who the deceased shareholder said would receive the shares. ONC has to follow the will and the intestacy rules.

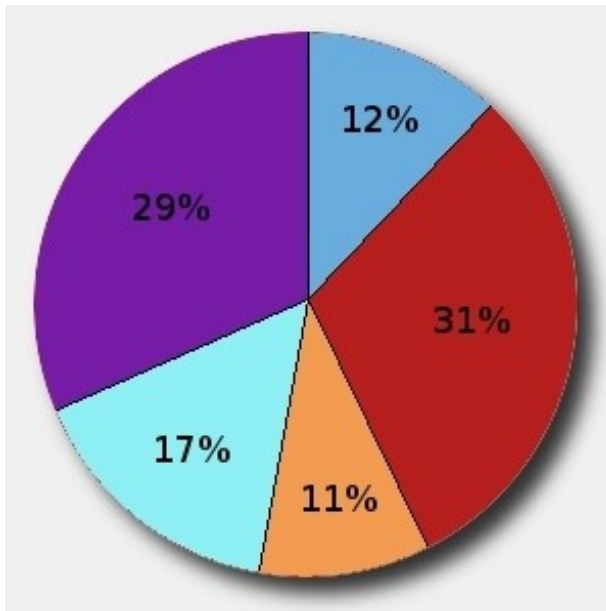
Sometimes it is difficult, time consuming and expensive for ONC to determine who should inherit shares when there is no will and a complicated or uncertain family tree. It is much quicker and less expensive for ONC to process a stock will. Also, with the passage of time a will may no longer express the desire of a shareholder as to who should inherit his or her shares. Sometimes the intestacy rules result on someone inheriting shares that may not be who the shareholder would have wanted to inherit the shares. Therefore, ONC strongly encourages all shareholders to have stock wills so that their desire as to who will inherit their shares is clearly stated for ONC to follow. Shareholders can change stock wills at any time.

When deciding stock inheritance, disputes and questions of interpretation can arise from time to time. For example, one family member may provide a will by the deceased shareholder and another family member may assert that the signature on the will was forged. In this case, ONC collects as much information as possible and tries to make the best decision it can given the information it has. ONC's goal is to give effect to the intention of the deceased shareholder, if that can be determined. ONC often notifies the family members of its tentative decision before transferring the shares, and gives any family member who is dissatisfied with ONC's tentative decision an opportunity to present additional information for consideration before the decision becomes final.

Any family member who is dissatisfied with ONC's final decision can file a lawsuit to have a court decide who should receive the shares.

Any shareholder who desires to get a stock will form or has a question about how ONC decides who inherits shares of a deceased shareholder should contact the ONC office. Shareholders also can file their stock will with ONC before their death so that it is readily available. ONC keeps filed stock wills confidential.

Location of Ouzinkie Native Corporation Shareholders



Washington/Oregon - 53 Shareholders

Anchorage Area - 132 Shareholders

Kodiak City - 46 Shareholders

Ouzinkie - 72 Shareholders

Other Locations - 125 Shareholders

Number of Original Shareholders: 339

Number of Shareholders Today: 428

Ouzinkie Native Corporation Shareholder Birthdays

April

2 - Chadwick Abell
3 - Albert Case
4 - Karen Chernikoff
4 - Cary Torsen
6 - Chris Opheim Sr.
7 - Barbara Anderson
10 - Norman Katelnikoff
11 - James Skonberg Sr.
12 - Kevin Cawley
12 - Marcia Payton
13 - Willis Garner
15 - Peter Squartsoff Jr.
16 - Marcy Ozan
20 - Vincent Beans
20 - Faith C. Muller
22 - Joseph Beans
22 - Roy Wolkoff Jr.
23 - Ignatius Beans Jr.
23 - Nathan Benjamiin
24 - Gladys Chichenoff
24 - Gene Delgado Sr.
24 - Shirley Jenkins
25 - Gerald Pestrikoff
26 - Lisa Bent
26 - Joel Smith
26 - Alma Soderberg
27 - Anna Rae Bent
27 - Alicia Daigle
28 - Leslie Shanagin
29 - Evelyn Peterson
30 - Susie D. Cronin

May

1 - Julius Deveau
3 - Mariaelena Pestrikoff
3 - Kellie Sharp
3 - Darlene Totemoff
4 - Lorita Anderson
5 - Peggy Britschgi
6 - Barbara Daniels
6 - Alice Hoffman
7 - Charles Marshall Jr.
7 - Dennis A. Shanagin Jr.
8 - Dorothy Pestrikoff-Belleau
9 - Marie J. Grinstead
9 - Larissa Panamarioff
9 - Randy Soderberg
11 - Esther M. Chernikoff
11 - Mary P. V. Rangel
13 - Robert Beans
13 - Katherine Ellanak
16 - Sharon Anderson
17 - Gerold Gugel Jr.
17 - David Panamarioff
18 - Justin Anderson
18 - Donald Muller
19 - Verna Bennet
19 - Jennifer Torsen
20 - Brian Totemoff
21 - Chris Boskofsky Sr.
22 - Gerald Anderson
22 - Dawn Morrison
24 - Kathy Ennis
26 - Joan Chichenoff
26 - Marie Skonberg
27 - Russel Holm
29 - Roy Elie-Wolkoff
30 - Perry R. Eaton
30 - Betty Jo Johnson

June

1 - Karen Foster
2 - Melodi Anderson
2 - Chandra Cardno-Wommack
3 - Robert Chernikoff
4 - Katherine Panamarioff
4 - Love C. Panamarioff
5 - Andrea Taylor
5 - Rikki Torsen
6 - Brooklyn Wegdahl
8 - Caroline Elie
8 - Viola Johnson
8 - Janet Lestnikoff
8 - Donna Schmitz
9 - Phillip Katelnikoff
9 - Jordes Spellman
13 - Antoinette Rudick
16 - Norma Selanoff
18 - Donald Foster Jr.
19 - Howard Beans
19 - Rhonda Moe
21 - Duke P. Delgado
23 - Martha Delgado
26 - Hawkan T. Haakanson Sr.
27 - Stanley Johansen
27 - Darice Shoemake
28 - Peter Meads
29 - Darryl D. Friel
29 - Earl Miller
30 - Maressa Nelson