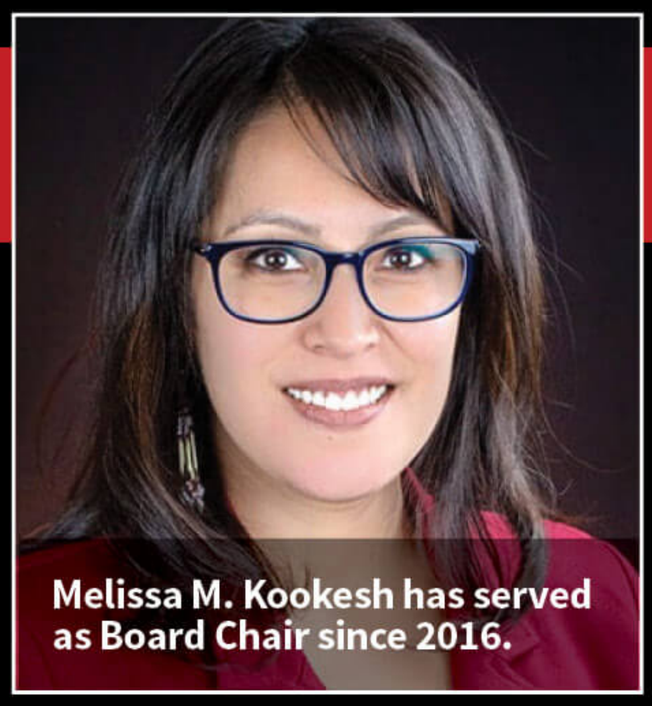
SPRING 2019

KOOTZNOOWOO News



Melissa M. Kookesh has served as Board Chair since 2016.

BOARD OF DIRECTORS

Melissa M. Kookesh
Chairman of the Board

Frank Jack III
Vice Chair

Edwell John Jr.
Treasurer

H. Jean Hogue
Corporate Secretary

Ella Bennett
Director

Sharon Love
Director

Cooney C. Star
Director

Kootznoowoo President Hal Dreyer signs Quitclaim Deed transferring over ANCSA 14(c)(3) properties to the City of Angoon.

BOARD CHAIR'S REPORT

Happy Herring Egg Season! I hope this message finds you and yours all in good spirits and health. March 6, 2019 was a significant and historic day for Kootznoowoo, Inc. and the City of Angoon. Your Kootznoowoo, Inc. Board of Directors met that evening and approved the Quitclaim Deed transferring to the City of Angoon the properties in Angoon that are subject to the ANCSA 14(c)(3) reconveyance provisions.

The signing of this Deed represents the closure of a process that was twenty-two years in the making. More importantly, it provides the City of Angoon over 850 acres of land, including the roads and rights-of-ways for parks, recreation areas, future utility services, a new landfill, and more.

In total, when the Homesite Lots are included, Kootznoowoo has provided almost 1,500 acres of land to Angoon and the shareholders that participated in the Homesite program.

As a Board, we are proud of this huge accomplishment. Directors would specifically like to thank Harold Frank Jr. and Don Bremner for all of their help with making this important milestone a reality. Gunalchéesh!

Over the past few years, it has been exciting to see Kootznoowoo grow and move closer to our shared vision of success. By hiring a qualified executive management team, we have been able to enter the competitive 8(a) contracting market and win profitable contracts, relaunch the scholarship program through the Kootznoowoo Cultural Education Foundation, and improve our administrative protocols with strengthened policies and procedures. In fact, the checks and balances put in place these past couple of years have resulted in a smooth audit that required only a few minor corrections.

Moving forward, the Board will continue to support our management team as we build our business portfolio and work to expand opportunities that will bring benefits to our shareholders and future generations. Finally, the Board recognizes the value of building partnerships and positive relationships within our community. We are committed to working with the Angoon Community Association and the City of Angoon to continue moving Angoon forward. I hope to see you all at our March shareholder meeting in Angoon and the Annual meeting in June. In the meantime, we welcome your comments, ideas, and feedback.

Gunalchéesh,

MKookesh

Board Chair

JOIN US FOR OUR

COMMUNITY MEETING

Saturday, March 30th at 10:00am
At Angoon High School

Please join us for management and board reports, food, and door prizes!

KOOTZNOOWOO, INC.
FORTRESS OF THE BEARS

Hal Dreyer was appointed by the Board in 2018 as President & CEO of Kootznoowoo, Inc.

PRESIDENT'S REPORT

It has been almost a year since our last newsletter was published. In that time, your Board, management team, and staff have been extremely busy working on all the initiatives we launched in 2018. We also have added even more projects to help build and strengthen your corporation.

One of the projects that I am particularly optimistic about is the Angoon Airport project as it can make a significant and positive impact on the community of Angoon. Recently, the Alaska Department of Transportation (DOT) issued a "Notice of Public Comment" period that ended on February 25. This was a result of the geotechnical investigations the DOT conducted last year that caused a slight re-alignment of the proposed runway. That adjustment resulted in the Federal Aviation Administration requiring a re-notice of this change.

Kootznoowoo, along with the City of Angoon, the Angoon Community Association, and Sealaska all provided comments. We expect to hear back from the DOT soon and hope for a meeting with the DOT to finalize any changes or accommodations that result from the comments. There should be more definitive information by the time we meet in June at our Annual Meeting of Shareholders.

It has been a busy year and as we move forward, I am committed to getting information to you in a timelier manner. We have recently invested in improving our communication methods with shareholders. These include launching both a new website, an online shareholder portal, and redesigning our corporate newsletter.

We also make regular updates to the Kootznoowoo Facebook page and encourage all shareholders to follow us on social media.

On Saturday, March 30, we will be hosting a Shareholder & Community Informational Meeting at the Angoon High School. The meeting begins at 10am. Management will provide several updates and this will also be a time for interaction with your Board and open discussions about the current and future of Kootznoowoo.

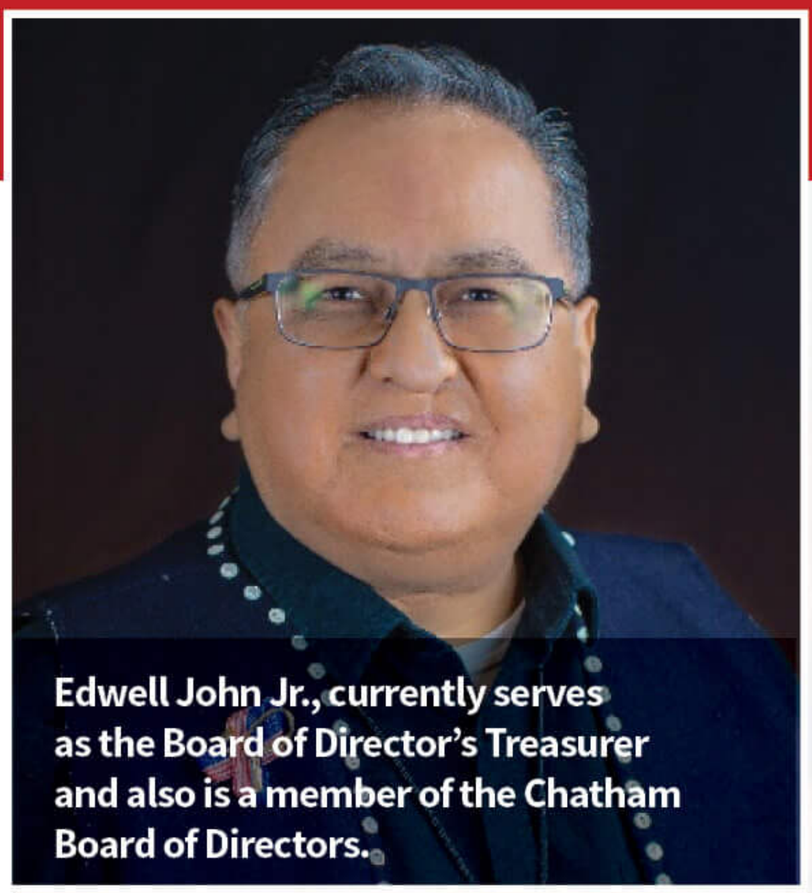
I encourage all shareholders to keep us informed too of the happenings in your personal and professional lives. As your corporation, we too would like to be a part of celebrating your successes and possibly featuring them on our website or in a future newsletter. I also welcome shareholders to reach out to the Corporation with any questions you may have. Our dedicated staff are committed to providing service and support to our shareholders when needed.

Sincerely,

H. Dreyer

President & CEO

TREASURER'S REPORT



Edwell John Jr., currently serves as the Board of Director's Treasurer and also is a member of the Chatham Board of Directors.

Since Kootznoowoo's logging operations on Prince of Wales Island ended many years ago, the corporation had not put in place a plan for how that revenue would be replaced in a meaningful way. By taking a close look at the underlying financial fundamentals of Kootznoowoo, it became clear to the Board and our President that in order to build a corporation that is sustainable and solvent, we would have to reinvent ourselves.

By coming together and identifying our financial goals, we have been able to implement several key foundational steps that have started to turn our financial situation around. Some of these include:

Building strong relationships with our managers.

By working closely with the teams that oversee our Newport IX property in Albuquerque and our venture with Alaska Seaplanes and Pack Creek Tours, we have seen in just eighteen months an impressive turnaround from a breakeven point to a positive cash flow.

Improving our real estate assets.

The renovation of K-Plaza in Juneau is a capital investment which is a valuable asset that is prudent to protect and ensure future profitability. With the completion of a current lease that is being negotiated now, we will achieve a nearly 100% occupancy rate. These activities will result in a positive cash flow for K-Plaza instead of the large financial drain it has been placing on the corporation over the past several years.

Protecting our land while still earning revenue from it.

The carbon credit program is an outstanding opportunity for shareholders. Not only does it fit within our traditional values of preserving our land, but it should additionally significantly help increase our Treasury, perhaps even by the end of this year.

Supporting opportunities that help build and strengthen Angoon.

The Angoon Airport will be a positive addition to the community. We expect that it will also result in the sale of some of our properties. We also hope to engage in the sale of rock and aggregate from our quarry for construction of the runway.

Increasing our footprint in the federal marketplace.

Growing our government contracting in the Federal SBA 8(a) arena has already provided Kootznoowoo with many outstanding opportunities and we are excited about the financial sustainability this program can bring to the corporation.

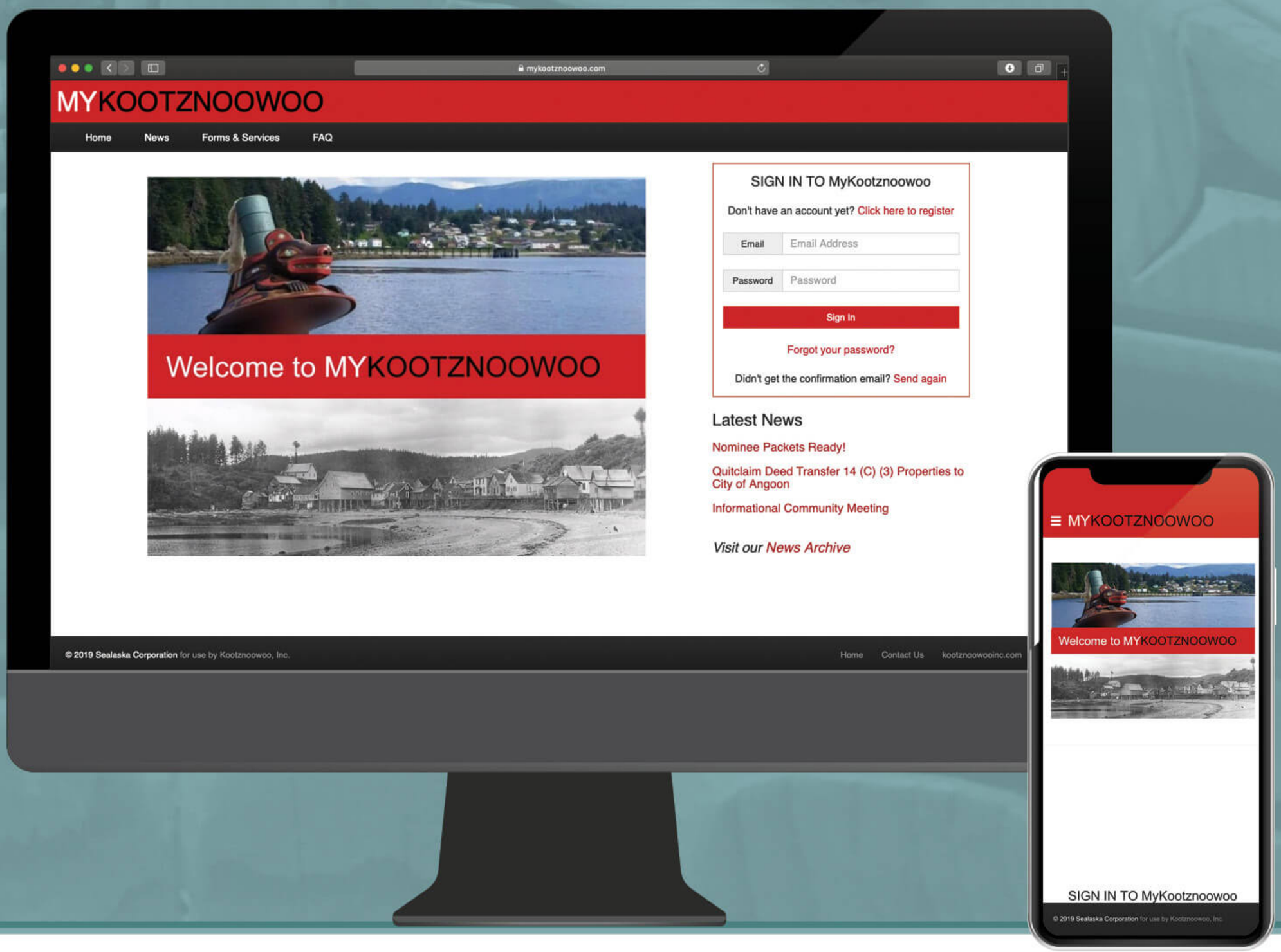
As Treasurer, it has been exciting to work closely with President Dreyer on the financial aspects of our company and be a part of the new financial path we are building for your corporation. It is our collective belief as a Board and management team that these five major efforts will significantly change the financial picture for Kootznoowoo. I believe that 2019 will be a very rewarding year for our shareholders.

Best regards,

E. John Jr.

Board Treasurer

SHAREHOLDER PORTAL MYKOOTZNOOWOO IS *Launched!*



In February, the corporation launched the MyKootznoowoo shareholder management portal. This software system was designed by Sealaska for Alaska Native Corporations to be able to keep track of the shareholders' stocks while allowing shareholders to make any changes needed by logging in online. It is also used by Goldbelt, Shee Atika, and Huna Totem.

"We are so excited to bring this awesome tool to our shareholders," said Board Chair Melissa M. Kookesh. "Not only will it provide shareholders direct access to their information, but it will also empower our shareholders with the opportunity to manage their own records updates, verify the status of their dividend payments, and even download their 1099 forms. It is my hope all of the shareholders have already logged in and created their accounts!"

On the portal, shareholders can download any shareholder form. They can also view the list of Lost Shareholders, update their address, add or modify Direct Deposit, or elect for electronic delivery of their Kootznoowoo materials.

First time access will require shareholders to complete a simple online registration process. Custodians of minor shareholders can also register to manage the information of their wards.

For questions or assistance, shareholders are encouraged to contact Shareholder Services at (907) 790-2992 or email info@kootznoowoo.com.

To access the portal, visit https://mykootznoowoo.com

H. Jean Hogue is the Corporate Secretary of the Board of Directors and Chair of the Chatham Board.

BOARD APPROVES NEW STRATEGY FOR KOOTZNOOWOO'S 8A COMPANIES

This past June, the Board approved a strategic initiative by Kootznoowoo President Hal Dreyer to move the corporation's Small Business Administration's (SBA) 8(a) companies, Chatham Properties and its division, Genesis Information Technology Solutions, in a new direction.

Upon approval of the plan, the Board appointed a separate Board of Directors for Chatham. Director H. Jean Hogue was selected as Chair; Edwell John Jr. as Secretary, and Frank Jack III as Treasurer.

"This strategy will position our contracting subsidiaries to better utilize the benefits of the SBA's 8a program," said new Chatham Board Chair H. Jean Hogue. "It will also help the corporation increase our footprint in the federal marketplace as we continue to grow our subsidiaries."

In order to manage these companies and the 8a bidding and procurement process, Leonard Jones was hired in July as General Manager. "Leonard has a great deal of experience that will significantly benefit Chatham and Genesis," said Chatham Chair Hogue. "He has already provided valuable insight and support in the transition process and is working hard at securing new contracts."

Leonard has held positions at three other Alaska Native 8(a) firms and earlier in his career served in the U.S. Army's 82nd Airborne Division.

Since June, the management team has already realized several significant accomplishments in the strategic transition. These include:

- **The SBA approved, in record time, the acceptance of the new Directors and General Manager. This process, which typically can take up to six months was completed in six weeks.**

- **In January, Kootznoowoo received HUB Zone status. This additional certification is significant in the federal contracting market and our subsidiaries are now recognized as being dually certified.**

- **Chatham has been awarded two contracts thus far and continues to bid on more contracts. One award was for the General Services Administration at the Juneau Federal Building and another at Fort Carson in Colorado.**

- **Chatham has developed strategic alliances with eight large companies in a selection of disciplines that will be teaming partners for projects that we have proposals with at several federal agencies.**

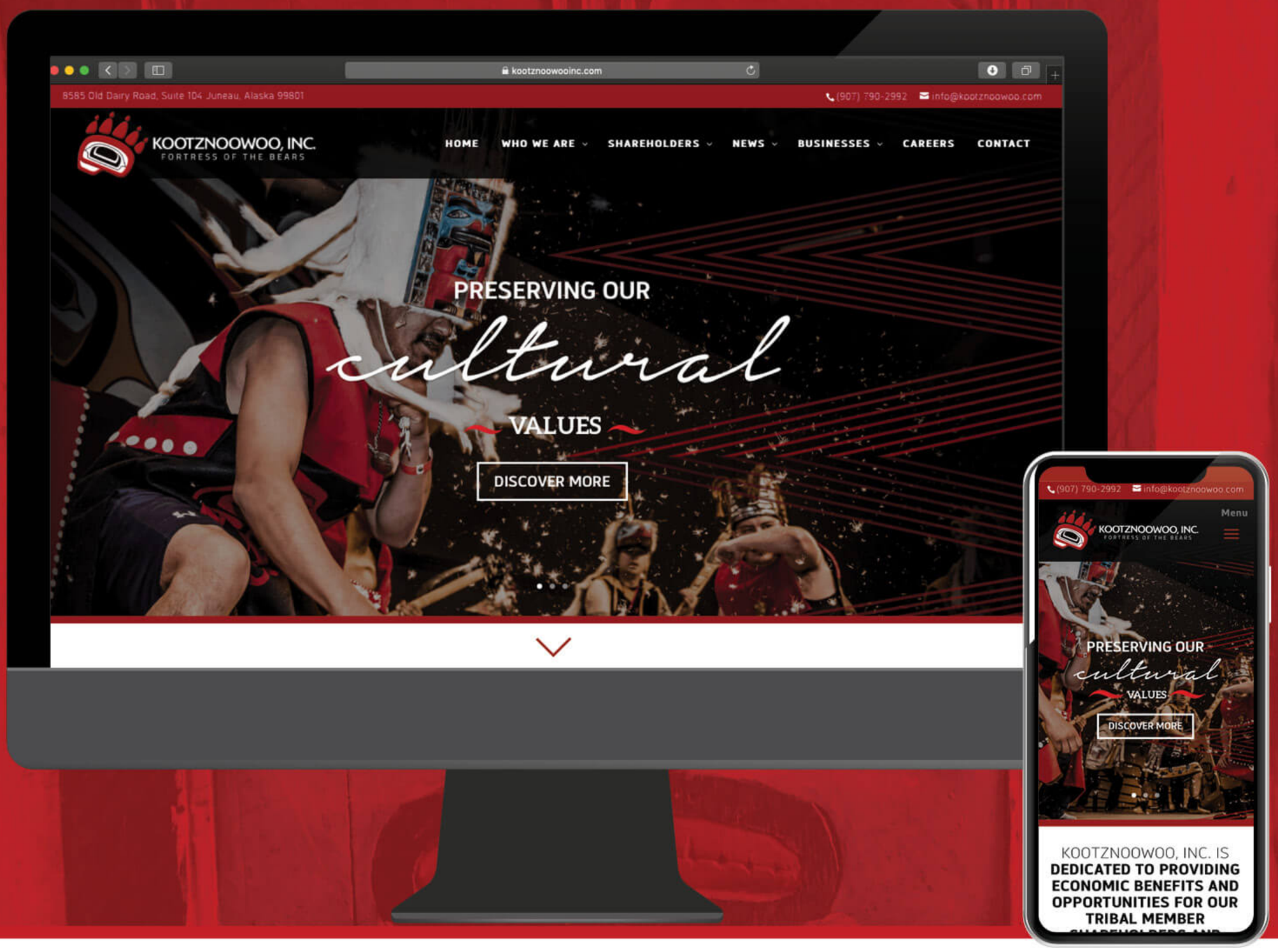
Unfortunately, the government shutdown several months ago slowed down the overall process considerably, but we expect to have good news by the time of the Annual Shareholder's meeting on those projects.

Gunalchéesh,

H. Jean Hogue

Corporate Secretary of the Board of Directors
Chatham Board Chair

NEW CORPORATE WEBSITE GOES *Live!*



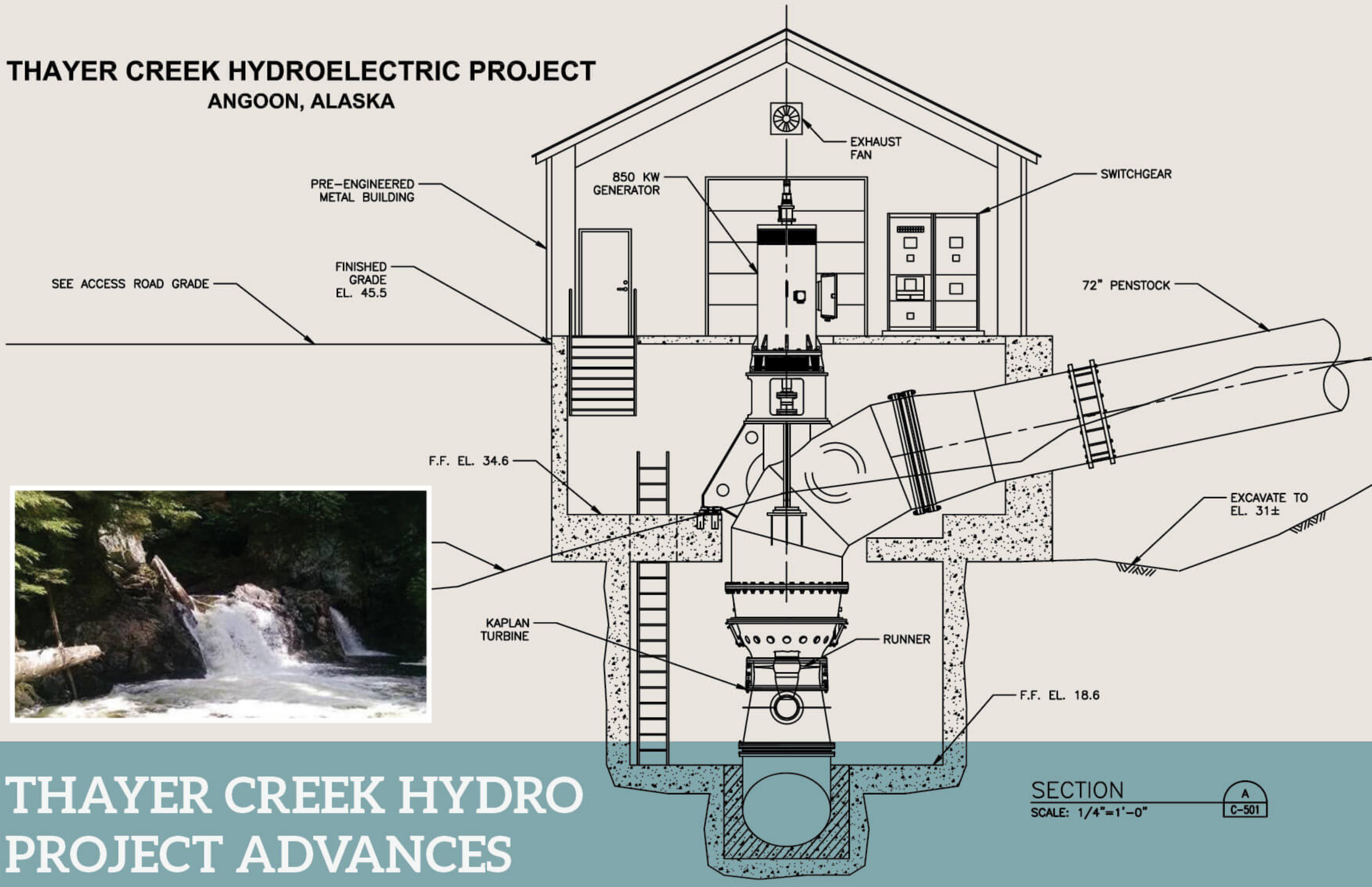
In February, the corporation also launched a new corporate website. The website was designed to provide an improved user-friendly experience to shareholders, visitors, and others interested in what's happening at the Kootznoowoo, Inc.

"The website was created not only with the overall user experience in mind," said Board Chair Melissa M. Kookesh, "but also as a way to highlight our traditional and corporate values. We wanted to build a site that shareholders could be proud of and that showed who we are as a people."

In addition to increased functionality, shareholders are also able to access the *MyKootznoowoo* portal through the website. They can download recent newsletters, access shareholder forms, learn about job opportunities, and view the current *Lost Shareholder* list.

"We are working on developing new sites for our Chatham and Genesis subsidiaries and plan to have those launched some time this year," said Board Chair Kookesh. Shareholders can visit the new site at www.kootznoowooinc.com.

Log in today at www.kootznoowooinc.com



THAYER CREEK HYDRO PROJECT ADVANCES

In the past year, the Thayer Creek Hydro Project has advanced significantly. In late Fall 2018, with the help of the engineering firm HDR, Inc., Kootznoowoo was able to complete approximately 96% of the task work associated with the grant provided by the Alaska Energy Authority to reach a 35% design level.

In August, a meeting was held with project stakeholders and decision makers at the Corporate Office where HDR presented their findings from a site investigation and risk analysis of the proposed project. Those who attended the meeting included Board Chair Melissa M. Kookesh, President Hal Dreyer, and representatives from the U.S. Forest Service, Alaska Energy Authority, IPEC, and Southeast Conference.

"HDR's assessment was that the previous plan was potentially too risky and, therefore, potentially too expensive," said Board Chair Kookesh. "HDR provided the team at the meeting with a new and less risky design approach." At the conclusion of the meeting, Mr. Dreyer polled attendees and all responded in favor of the new design and approach.

Currently, the management team is working with the Alaska Energy Authority, the Department of Energy, and with the Bureau of Indian Affairs on securing additional grant opportunities to add to $6.71 million the AEA has available for construction. This grant funding will move the project forward to transition from the project design phase to a 100% shovel-ready status.

"It is expected that the design funding will let us start on that final phase within 3 months," said Board Chair Kookesh. "Completion of that important step will make securing of the final phase of construction funding much easier to accomplish".

K-PLAZA TO EMBARK ON MAJOR RENOVATION

In recent years when Kootznoowoo was struggling to maintain profitability, the corporation's K-Plaza property experienced what is known as deferred maintenance. This is the practice of postponing repairs and regular maintenance in order to save costs. "We recognize that by failing to perform the necessary preventative maintenance or repairs on K-Plaza," said President Hal Dreyer, "the current cost of operating the building is approximately twice what it should be."

In order to protect the asset, which not only houses the Kootznoowoo Corporate office, but also several Juneau-businesses, the Board and management have embarked on a major renovation that will help reduce costs and protect this valuable shareholder asset. Certain elements of this project are being partially funded by a Rural Energy for America Program Grant.

"The key elements of the renovation are replacement of the roof, which has reached a point of almost zero insulation, replacement of the Roof Top Units (RTU's), which are beyond their useful life, and major upgrades to the mechanical and control systems," said President Dreyer. "Additionally, we will continue to change out the lighting in the building to LED fixtures which significantly lower the electric consumption."

On March 8, Jensen Yorba Lott which is the architectural firm supporting the project conducted a pre-bid conference at the Corporate Office with four contractors who will be bidding on the renovation work. Bids are due the first week of April and management is working with three lending institutions to assist with funding of the project.

"We are hopeful that this important work can be accomplished this year during the summer and early fall seasons," said President Dreyer.

Architectural drawing of the K-Plaza renovation.

FAVORITE BAY, LLC UPDATE

Kootznoowoo's Newport IX office building in Albuquerque, New Mexico has increased it occupancy rate to 90%.

Subsidiary Favorite Bay, LLC owns Kootznoowoo's Newport IX office building located in Albuquerque, New Mexico. The building is managed by Bruce Marvick and Lisa Fray of Building Interests, Inc.

"We are very pleased to report that as of March, your Albuquerque Office Building has gained new tenants, renewed many existing tenants' leases, and even expanded some other existing tenants lease space," said Bruce Maverick.

Bruce and Lisa have overseen Newport IX for many years and have increased the building's occupancy rate to 90% which is up from a low 80% range several years ago.

"This good news brings the monthly revenue into a positive position and we look forward to what they will be able to do to increase occupancy even further," said President Dreyer.

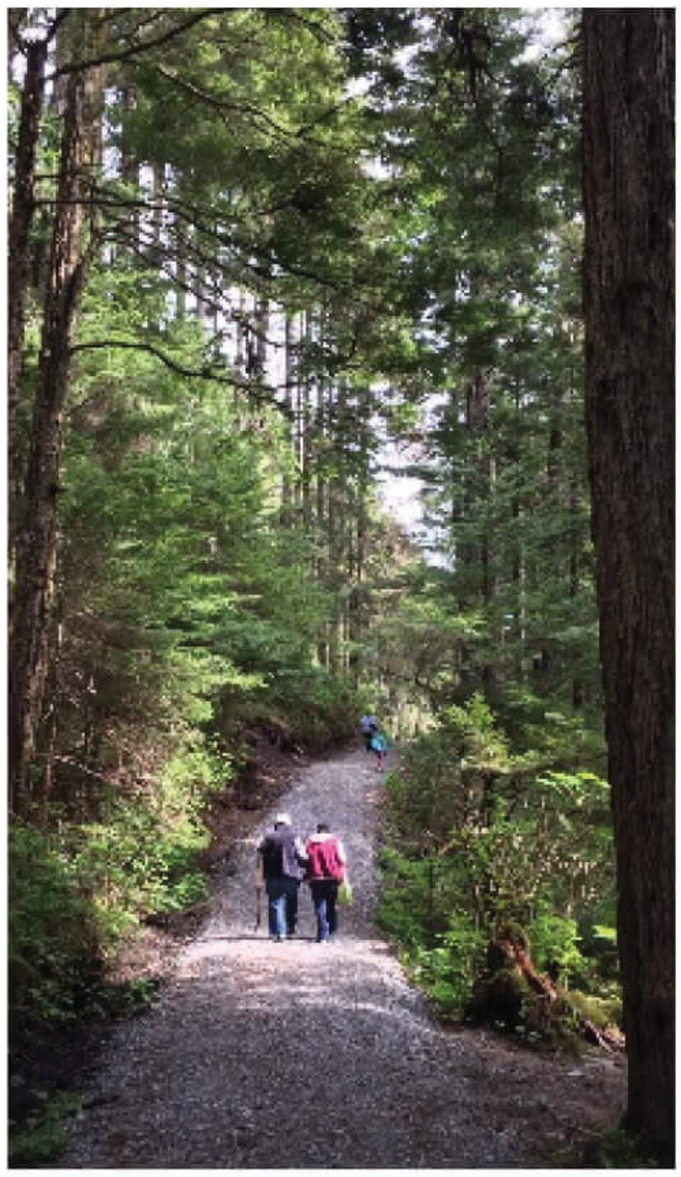
SAVE THE DATE

Annual Meeting of Shareholders

June 21, 2019

at Angoon High School

KOOTZNOOWOO, INC.
FORTRESS OF THE BEARS



CARBON CREDITS PROJECT ENTERS NEXT PHASE

Kootznoowoo, Inc. is committed to protecting its land while also seeking out opportunities that will help Kootznoowoo become the for-profit corporation it was intended to be in order to financially benefit our shareholders. In 2018, the Board and management team began exploring the development of a carbon credit offset project. Under this program, Kootznoowoo would be paid to maintain certain areas of its timber for 100 years in order to offset greenhouse emissions.

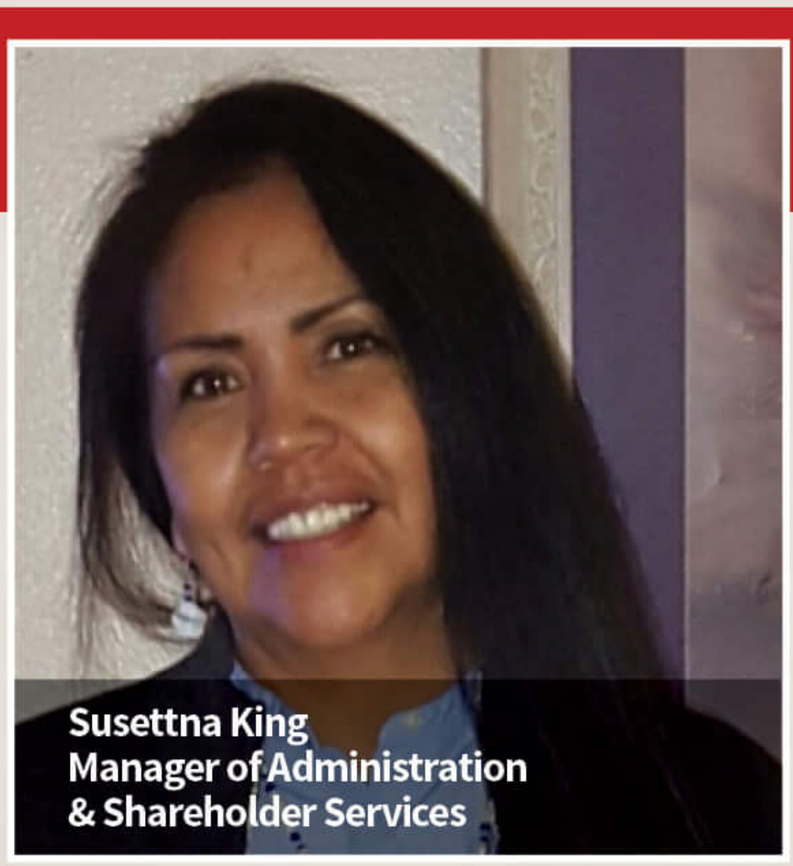
"Last year, we had just begun the research phase of this carbon credit opportunity," said Kootznoowoo President Hal Dreyer. "Since then the Board has approved a contract with Bluesource, a company that specializes in turning forest and timber resources into marketable credits."

In January, Bluesource informed management that they have been able to secure a sale with a locked in price for the credits once the resource survey is complete. "We are hitting the ground running with the survey work," said Roger Williams, President of Bluesource. "I'm excited we were able to de-risk the project by locking in such a favorable price."

The survey work is being conducted by Terra Verde, Inc. and will begin in late April. "We are always looking for talent and would be happy to hire any qualified shareholders," said Brian Kleinhenz who serves as Vice President with Terra Verde and was the keynote speaker at the 2018 Kootznoowoo Annual Meeting. "If you know of any Kootznoowoo shareholders who are experienced foresters or timber cruisers, please send us their contact info. We also need a good timber faller to help us cut in landing zones for the helicopter."

Shareholders or descendants who are interested in working on this project which will be located on Prince of Wales should contact the Corporate Office at (907) 780-2992 or via email Susettna King sking@kootznoowoo.com or Erica George egeorge@kootznoowoo.com who will be able to assist with coordinating resume submissions to Mr. Brian Kleinhenz.

bluesource



Susettna King
Manager of Administration
& Shareholder Services

SUSETTNA KING

has joined Kootznoowoo in August as the Manager of Administration & Shareholder Services. In this role, she wears many hats and is responsible for overseeing the day-to-day function of the corporate office. "Being an employee of my Corporation is a great honor. It is something I do not take lightly," said Susettna. "I am very excited to be a part of this new beginning for our corporation. We are on the cusp of a very bright future for our shareholders and I am ecstatic to be a part of this whole new transition."

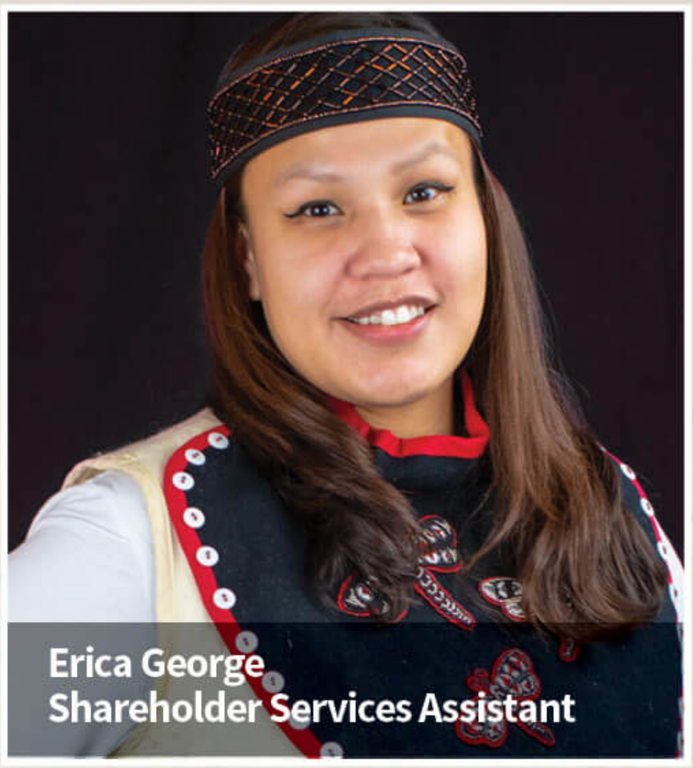
Previously, Susettna worked as a Case Manager with Alaska Staff Development and also held several different positions with the Central Council Tlingit & Haida Indian Tribes of Alaska including as a Caseworker, Realty Technician, and Social Service Aide. She also is a former Director having previously served on the Kootznoowoo Board. Throughout her career, Susettna has completed a variety of training

Continued on next page

KOOTZNOOWOO WELCOME NEW TEAM MEMBERS

classes and also studied at both the University of Alaska Southeast and University of Alaska Anchorage.

Susettna is "the child of the *Wooshkeetaan*, grandchild of the *Teikweidi'*, and *Deisheetaan*." She is the daughter of Theresa Howard and the late John Howard Sr. According to Susettna, "My greatest accomplishment are my five children. It is their future I live for and try to make things better for."



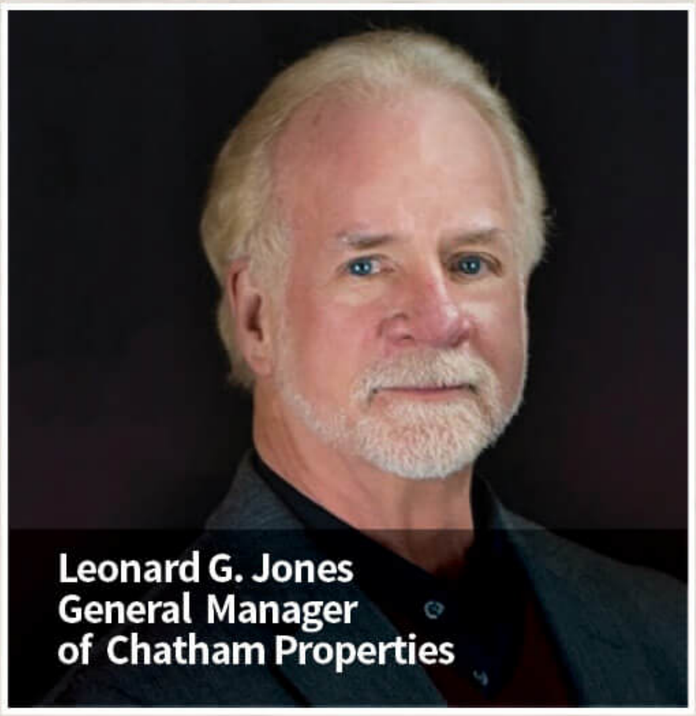
Erica George
Shareholder Services Assistant

ERICA GEORGE

joined the corporation this fall as the Shareholder Services Assistant. In her role, Erica is responsible for providing front line support. "I am so happy to work at the corporate office," said Erica. "Before I started working here, I didn't know much about Kootznoowoo. But in this short time, I have learned so much and am impressed at how far we've come as a corporation."

At age fourteen Erica began gaining work experience through Central Council Tlingit & Haida's Youth Employment Services Program. After finishing high school, she worked for four years as a Recreation Aide at the Zack Gordon Youth Center in Juneau. In her career, Erica has also worked at Fred Meyers, H&R Block, and also for Sealaska Corporation's Shareholder Relations Department. She is a 2006 graduate of Juneau Douglas High School.

Erica is a second-generation shareholder. She is the daughter of Victoria Milton and the late Jeffrey George of Angoon. She is Raven Beaver *Deisheetaan* from *Took'ka Hit* (Needlefish House) and her Tlingit name is *Shaachooka*. Erica resides in Juneau with her two daughters, McKayla and MaKenna.



Leonard G. Jones
General Manager
of Chatham Properties

LEONARD G. JONES

joined Kootznoowoo this past fall as the General Manager of Chatham Properties. In this role he is responsible for business development and the management of all current Kootznoowoo's 8(a) subsidiaries.

Throughout his career, Leonard served in a variety of leadership positions at Alaska Native Corporations and state and local government where he specialized in senior level operations management with a focus in government contracting, management, and administration.

Prior to joining Kootznoowoo, Leonard was a Senior Contracts Manager with Trailboss Enterprises, Inc. In his career, he also worked with Ahtna Technical Services as Vice President of Contracts & Compliance, Gana-A 'Yoo Service Corporation, Cook Inlet Housing Authority, and the State of Alaska Department of Corrections. From 2001-04, he supported the City of Whittier, Alaska as the Director of Public Facilities, Harbormaster, and Interim City Manager.

Leonard holds a Master of Business Administration, Bachelor of Science in Business Administration, and a post-master's Certification in Education from Capella University; he also earned an Associates of Arts in Business and a Public Manager Certification from the University of Alaska. Additionally, Leonard is a Veteran of the United States Army where he served in the 82nd Airborne, 307th Medical Battalion.

KOOTZNOOWOO, INC.
FORTRESS OF THE BEARS

KOOTZNOOWOO, INCORPORATED
8585 OLD DAIRY ROAD
SUITE 104
JUNEAU, ALASKA 99801

KOOTZNOOWOO, INC.
FORTRESS OF THE BEARS

Lost Shareholder List

Kootznoowoo, Inc. is seeking information aboutthe following list of shareholders whose contact information is not current. If you have any information about where we can locate any of the following shareholders, please contact Shareholder Services at (907) 790-2992 or via email at info@kootznoowoo.com.

Ackley, Melissa Jean
Ahmad, Mohammad Ali-Raza
Ahmad, Mohammad Raza
Ahmad, Sheraz Styles
Albert, April Lynn
Austin, Gary Wayne Jr
Austin, Thomas Morris
Barry, Stephen James
Beaman, Andrew Lawrence
Bennett, Charles Oscar
Bigelow, Virginia Maria
Bland, Angela Jo
Blankenship, Robert David
Bowers, Katherine P.
Brown, Amberly A.
Brown, James Wheeler
Brown, Stanley F.
Bruer, Terra Darlene
Bucknell, Alex Wilson
Carlin, Gertrude
Cole, Mark M.
Dcafango, Adrian Gene
Demmert, Evette Lillian
Dios, Darrell De
Donthnier, Marian
Enright, Richard J
Faber, Tabitha Marlene
Frank, Sonia N.
Fujioka,, Gary Alan Sr
Gamble, Lawrence George Jr.
Gamble, Margaret E.
Gamble, Talon Earl
Garcia, Timothy Harold
Gardipee, Delores Elsie
George, Byron George II
George, Raena Doreen
George, Shgen-Doo-Tan
Gonzalez, Michelle C.
Guest, Cheryle Heather
Guest, Rhonda
Hepler, Harold Kenneth
Holmes, Sandra R.
Houston, Molly S.
Jack, April M.
Jack, Brandon W.
Jack, Byron W.
Jack, Frank Joseph Jr
Jack, Steven Frank
James, Amelia Ann
James, Darvine Anthony
James, Marilyn
James, Sharolee Cordelia
James, Timothy Wayne Jr
Jamestown, Amber Eulalia
Jim, Joseph Bergman Sr
Jim, Karen Eileen
Johnson, Arnold W. Jr
Johnson, Keith Anthony
Johnson, Valerie Jean
Johnson, William G.
Jones, Maria L.
Joseph, Charlie Joseph Jr
Kahklen, Matthew Archie
Kennedy, Virginia J.
Kookesh, Marcie Lynn
Lincoln, Janet Austin
Lindstrom, Allan F.
Lindstrom, Carl G.
Lindstrom, Carl George IV
Lindstrom, Jennifer
Lindstrom, Kori Faye
Maag, Frances
Mann, Breanna Dene
Mann, Brystal Morgan
Marvin, Linda Denise
Mazon, Semion John
McIndoo, Sharon Ann
McKnight, Sade' Marie
Merculief, Aliyah Shayanne
Merculief, Amelia
Merculief, Kayla Nicole
Merculieff, Brandon George
Merculieff, Joyce Ida
Merculieff, Tiara E.M.
Miller, Karen Marie
Miller, Melinda Renea
Mills, Patricia B.
Morgan, Jason
Morgan, Mary Marisa
Morrison, Amzel Estella
Morton, Esther
Olson, Kenneth Robert
Petersen, William James
Quiroga, Frank Victor
Ramirez, Gregg E.
Rose, Patrick Boyd
Russel, Victoria Amber
Sabo, Dawn M.
Scott-Ahmed, Ralph B
See, Travis Abajar
See, Triska Marie
Sokimi, Isaiah Prescott
Sokimi, Phillip A.P.
Southerland, Kenneth
Thomas, Stacy Russell
Tillotson, Tawnia C.
Treadway, Gina Ann
Vasquez, Vanessa
Willard, Deborah May
Willard, Genevieve L.
Willard, Gilbert C.
Willard, Richard K. Jr
Williams, Althea Marie
Williams, Dorothy M.
Williams, Elizabeth J.
Wolfe, Kayla Marie
Wolfe, Robert D.
Young, Lawrence Richard