

NINILCHIK NATIVE ASSOCIATION, INC.

Regular Board of Directors Meeting

Saturday, January 15, 2000

CALL TO ORDER: Jerry A Kvasnikoff.

PLACE: Ninilchik Office

TIME: 2:10 PM

INVOCATION: Jerry A. Kvasnikoff, Chairman
Richard Weldin, Vice President
Ray Bouwens, Secretary/Treasurer
Sharon L. Culhane
Carol Gore
Suzette Marey
Larry G. Matson
Gary W. Jackinsky
Robert Prosser

ALSO PRESENT: Gregory P. Encelewski, President
Wm. Dean Kvasnikoff, ANRC, Inc.

CALL TO ORDER

The Chairman officially called the meeting to order at 2:10 PM

QUORUM/AGENDA

Gary Jackinsky noted that a sentence should be added under Old Business, Shareholder Hire Language, to read, "The shareholder hire provision in NNAI contracts shall be placed toward the beginning of the contract."

Ray Bouwens made a motion to approve the minutes of the November 13, 1999 regular board of directors meeting, with the noted change. Carol Gore seconded the motion. No objections. Motion carried.

FINANCIAL REPORTS

Greg Encelewski presented the preliminary financial statements for yearend 1999.

MANAGEMENT REPORTS

ANRC, Inc.: Wm. Dean Kvasnikoff discussed timber and land management issues, including: timber harvesting, perennial maintenance needs of NNAI's logging roads, the Deep Creek Property, and the RV Park.

President: Greg Encelewski reported on a meeting with the Crescent River Timber Venture board and a subsequent meeting with Circle DE Pacific Corporation regarding the west-side timber contract. He has had meetings with Dean to develop and revise the 6 month goals and objectives for NNAI. NNAI's annual audit and tax preparation requirements has gone out to bid. Greg has been meeting with prospective partners for an 8(a) business. Greg met with Tyonek Native Corporation regarding reforestation strategy in dealing with the State of Alaska. NNAI has been exchanging correspondence with a concerned shareholder, Gary V. Oskolkoff

OLD BUSINESS

Reforestation Plan, 1988-90 Units: Greg Encelewski reported that after three and a half years of negotiations, the Alaska Department of Natural Resources has granted NNAI's request for a variation from state stocking standards on the 1988-90 harvest units.

RV Park: Greg Encelewski reported that management is not satisfied with the lessee's performance. The lease doesn't expire until the end of the 2000 season. The lease allows for the lessee to be reimbursed for capital improvements on a declining basis over the life of the lease. Management will work on an exit strategy.

NEW BUSINESS

Six Month Goals and Objectives: Greg Encelewski gave an overview of the draft goals and objectives of NNAI for January through June 2000.

2000 Budget: Greg Encelewski gave an overview of the 2000 income budgets for NNAI and NNAI subsidiary, Niniichik Arctic Pipe and Supply, LLC.

Anchorage Office: Today's vote at the Special Meeting of the Shareholders supported keeping the Anchorage office.

Larry G. Matson made a motion to table board action for 60 days pending review of NNAI's financials and business plan. Sharon Culhane seconded the motion. Motion carried. No Objections.

Resolution to Amend Bylaws: After going through the expense of a special meeting, both in outlays and management time, an option to consider is the possibility of increasing the percentage required to call a special meeting from 10% to a higher percentage (25% to 35%). After deliberation, the board decided to seek shareholder comments in the newsletter and put the question to a vote at the next annual meeting of the shareholders. Shareholders would have the opportunity to direct their vote on this issue along with their selection of board candidates on proxies solicited by the board.

Deep Creek Beach Property: Management presented a proposal to expand the usable area on the beach for commercial purposes (e.g. boat launching and parking services) and requested authorization to spend up to \$40,000 for the development.

Sharon Culhane made a motion to authorize the capital expenditure up to \$40,000 to develop the Deep Creek beach property. Carol Gore seconded the motion. Motion carried. No objections.

NEXT MEETING DATE

The next meeting date was set for Friday, March 3, 2000 at 6:00 PM in the Anchorage office.

EXECUTIVE SESSION

The Board went into Executive Session at 5:35 PM.

ADJOURNMENT

_____ *made a motion to adjourn. No objections. Motion carried.*

The meeting adjourned at _____ PM.