

NINILCHIK NATIVE ASSOCIATION, INC.
MEETING MINUTES
May 20, 2004

1. **CALL TO ORDER**
2. **LOCATION – Anchorage, Alaska**
3. **TIME: 4:00 p.m.**
4. **ROLL CALL:** Jerry Kvasnikoff
Raymond Bouwens
Elaine Cooper
Roberta Oskolkoff
William Bouwens
Eugene Steik
Raymond Deitz

ALSO PRESENT: Sandra Lee, Business Manager

5. **QUORUM:** The Chairman determined a quorum was present.
6. **Adoption of Agenda:** Gene Steik distributed to all directors a Notice of Intent regarding Resolutions 11, 12, 13, 14, 15 and 16, involving White Mountain Construction. Amended agenda to discuss the Notice of Intent, loan approval and Resolution 2004-17 under New Business. Added Land Survey under Old Business. *Ray Bouwens moved to accept the agenda as amended; Bobbie Oskolkoff seconded.* Vote to accept amended motion: Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Raymond Deitz. *Motion passed.*

7. **Adoption of Meeting Minutes**

Regular Board Meeting – March 29, 2004 – *Ray Bouwens moved to accept the minutes as amended; seconded by Bobbie Oskolkoff.* Vote to accept amended minutes – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

Special Board Meeting – May 6, 2004 – *Ray Bouwens moved to accept minutes as amended; seconded by Bobbie Oskolkoff.* Vote to accept amended minutes – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

8. **Management and Committee Reports**

- a. Ray Bouwens, President's report
- b. Jerry Kvasnikoff, Manager, ARD.
- c. Land Survey Committee Report. Gene Steik was asked to produce the results of the survey he sent out, if they were available. NNAI's survey is attached to these minutes.

9. New Business

1. **Notice of Intent.** Gene Steik and Ray Deitz presented a Notice of Intent to sue members of the board, if Resolutions 2004-11, 12, 13, 14 and 15 were passed. (Attached to meeting minutes.) Management was instructed to send the notice to the corporate attorney.

2. **Loan Approval.** Jerry Kvasnikoff, Manager of Resource Development, requesting board approval of a loan with First National Bank for \$150,000 for working capital for a line of credit to absorb time line between gearing up for jobs and collecting revenues. *Bill Bouwens moved to authorized Resource Development to secure a loan for \$150,000 for operating monies for First National Bank to be secured by RD's receivables, equipment and other assets; seconded by Ray Bouwens.* Vote for motion – Jerry Kvasnikoff abstained; Yes – Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

The Board has authorized Jerry Kvasnikoff to enter into the loan agreement for the purpose of getting the \$150,000 arranged from First National Bank, which will require the President and Secretary to sign the bank resolutions.

a. **White Mountain Construction LLC.** *Bill Bouwens moved to proceed with business arrangement with White Mountain Construction and to finish out whatever paperwork it takes to get it going; seconded by Elaine Cooper.* Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

b. **Resolutions 2004-11 - Ratify Alaska Resource Development;**

c. **Resolution 2004-12 - Ratify Resource Development Company; and**

d. **Resolution 2004-13 - Ratify Two Rivers Resource Trust.** *Ray Bouwens moved to pass Resolutions 2004-11, 12 and 13; seconded by Elaine Cooper.* Vote for motion – Jerry Kvasnikoff abstained; Yes – Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

e. **Resolution 2004-14 Ratify Summit Holding.** *Bobbie Oskolkoff moved to pass Resolution 2004-14; seconded by Bill Bouwens.* Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

f. **Resolution 2004-15 – Separation of White Mountain from Alaska Resource Development.** White Mountain Construction LLC was originally organized under Alaska Resource Development. The resolution would move it organizationally to Summit Holding. *Bobbie Oskolkoff moved to accept Resolutions 2004-15; seconded by Ray Bouwens.* Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. *Motion passed.*

g. **Resolution 2004-16 RDC Working Agreement with Unocal.** Approved by the Board at Special Meeting on May 6, 2004 as part of the Unocal Surface Use Agreement. Both the Unocal Agreement and RDC Working Agreement were approved at the special meeting on May 6, 2004, and a resolution specific to the Surface Use Permit was passed, but there was no resolution specific to the work agreement. *Ray Bouwens moved to pass Resolution 2004-16;*

seconded by Bobbie Oskolkoff. Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. Motion passed.

h. NTC Addendum #2 to the Cooperative Resource Management Agreement with NTC. Recommended by committee to pass. *Ray Bouwens moved to accept Addendum #2 pending positive legal review; seconded by Elaine Cooper. Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens; No – Gene Steik and Ray Deitz. Motion passed.*

i. Resolution 2004-18 – Stay of Confidential Agreement. Shareholders United sent out letter stating the Board of NNAI is withholding “alarming documents.” Resolution 2004-17 would suspend the confidentiality agreement signed by all directors for a period of 90 days. *Bill Bouwens moved to accept Resolution 2004-17; seconded by Ray Bouwens. Vote for motion – Yes – Jerry Kvasnikoff, Ray Bouwens, Bill Bouwens, Gene Steik and Ray Deitz; No – Elaine Cooper and Bobbie Oskolkoff. Motion passed.*

10. Old Business

a. Motion to rescind easement agreement with CIRI (made by Ray Deitz and seconded by Gene Steik). Vote for motion – Yes – Gene Steik and Ray Deitz; No – Jerry Kvasnikoff, Ray Bouwens, Elaine Cooper, Bobbie Oskolkoff and Bill Bouwens;. *Motion failed.*

b. NTC Land Transfer Proposal,, Resolution 2003-10. Ray Bouwens is still engaged in ongoing discussions and negotiations regarding the transfer of 640 acres.

12. Date of Next Meeting: June 5, 2004, immediately following the annual meeting in Ninilchik, Alaska.

13. Adjournment.

LAND SURVEY
(as of May 20, 2004)

1. A unanimous agreement of all shareholders would be necessary to approve such a distribution. Accordingly, do you feel NNAI should spend time and money researching the possibility of a land distribution?

Yes – 18

No – 13

2. Are you interested in receiving a land distribution?

Yes – 20

No – 10

3. If you are interested in receiving a land distribution, would you be willing to pay for the actual cost of creating the subdivision, including surveying, roads, power and phone installation, title insurance and closing costs?

Yes – 5

No. – 14

Not Interested – 7

4. How much land should NNAI consider for distribution for shareholders?

None – 9

Subdivision Lot – 2

10 Acres – 11

Other - 6