



Chitina Native Corporation

Newsletter

Winter 2021-2022

A Word from the President

It's been a while since we have had any direct communication. This has been a busy year for CNC, and one to remember. With the overall effects of COVID and its variants continuing to cause issues, Chitina Native Corporation has worked very hard to this past year to keep our employees and shareholders safe, while implementing the CNC Board of Directors Strategic Plan.

This year we have two major initiatives to work towards and they will require your feedback and vote.

- CNC is looking at creating a new class of shares. Class (L) Life stock shares will be offered to direct lineal descendants of originally enrolled shareholders.
- The Trustees of the CNC Shareholder trust wish to amend and add additional benefits to the original CNC Shareholder Trust. These additional benefits would include an educational benefit, a bereavement benefit, and an elder's benefit, as well as other benefits that promote the health, education, and welfare of Alaska Natives or to preserve the heritage and culture of Natives.

Since, we have been unable to have any type of formal get together, annual meeting or Christmas party in the last two years and with no foreseeable end in sight, CNC will be increasing communications both virtual and through mailers with you to answer any question you may have regarding these important topics.

We realize that these are both important initiatives and effect every shareholder and descendant and will require more than just a newsletter or mailer to provide you with details. With that in mind, we are planning on organizing online events to address any questions or issues you may have. Both of these initiatives will require your vote, so please email info@chitinacorp.com, or call 907.823.2223 with any questions, comments or details you wish to provide.



Anne Thomas
President/Chairman

A Message from the CEO

Happy New Year! I feel like everyone I have spoken with is looking forward to putting 2021 behind them and embracing 2022 as the start of a great new year. For Chitina Native Corporation, we have worked hard to realize our 2021 objectives and I wanted to take a moment to recognize those successes in this newsletter.

To summarize our efforts, CNC had a very productive year and could not have done it without all of our employees working together. We have doubled in size, added employees in multiple locations, started work in new areas of the United States with new agencies and created a new subsidiary, Chitina Support Services. Financially, we continue to grow the corporation through strategic investments, diversified work efforts and with the support of the CNC Board of Directors, we have paid out our largest dividend to date.



Ed Herndon
CEO

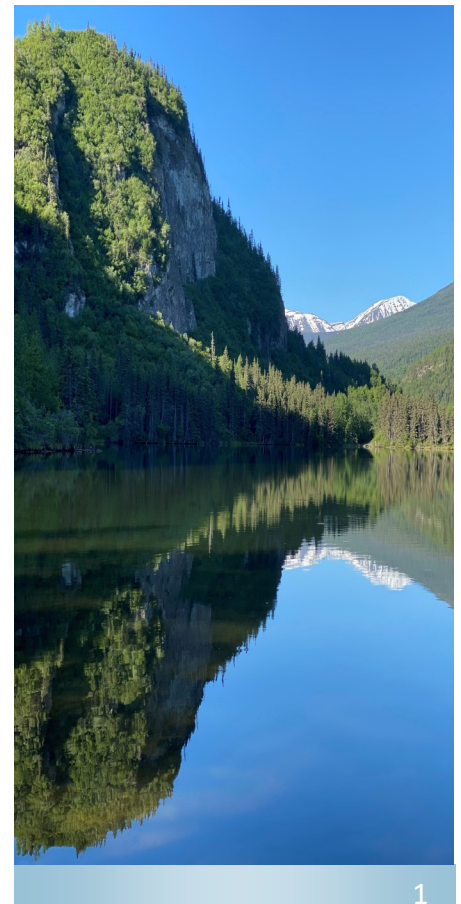
As Anne mentioned above, the CNC Board of Directors has chosen to add additional benefits by revisiting the intent of the Settlement Trust and is looking at taking on additional Shareholders through a new class of shares. For any corporation this would be exciting and I feel like we are just getting started.

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CNC Board of Directors

- Anne Thomas, President
- Arleen Lenard, Vice President
- Jason Hart, Secretary/Treasurer
- Danna Finnesand, Board Member
- Joseph Hart, Board Member
- Martin Finnesand, Honorary Elder



Chitina Electric Inc.

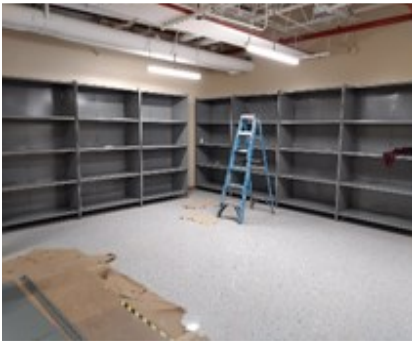
Chitina Electric Inc. (CEI) continues to win work even though it has graduated the SBA 8(a) program in April of 2021. With close out work of prior projects, and new project wins with National Oceanic and Atmospheric Administration (NOAA) and the United States Army Corps of Engineers (USACOE), CEI will have the benefit of continued work for the foreseeable future. CEI has also received the highly coveted "Valued Partner Award" for its work in Tobyhanna, PA. This award recognizes contractors that work safely, and deliver valued added projects on time and budget.

5-mile Hydro update

Chitina Electric Inc has been pursuing the creation of the 5-mile hydro project and this past year has made significant gains. CEI and CNC have officially sanctioned the project with the goal of a more sustainable long term energy source, while reducing the overall cost, by limiting its diesel fuel consumption. The project is expected to be completed in late 2022 or early 2023.

Chitina Diversified Services

Chitina Diversified Services, (CDS) has just completed the first of many large USACOE construction projects located in Brooklyn, NY. This project scope consisted of demolition and renovation of an existing historical facility to include, roofing and specialized concrete work. There were many challenges to this project and CDS worked closely with all of its subcontractors and the customer to ensure the timely delivery of a successful project. Charlie Sassara, CDS Director of construction said "We have a great team put together and it showed on this project how well we can address the customers timing and budget concerns! We want CDS to be the go-to fix it contractor for the government"



Lands — O'Brien Creek/ Haley Creek update

This past year O'Brien Creek, the Kotsina flood plane and Chitina lands around the Copper River have been the focus of the CNC BOD. It seems with every year more and more people access the Copper River to dipnet for their subsistence salmon and are not aware of CNC's land use rules.



A joint task force consisting of Chitina Native Corporation, Ahtna and the Native Village of Chitina have worked hard to ensure regional land issues are identified and rules implemented. Traditional Village sites have been identified, refuse and sanitation areas are kept up, land access permits, trespass rules and river access points are monitored and all users adhere to the groups guidelines.

The Joint Task Force also hosted State of Alaska Commissioners to a 1-day event to educate them on regional land concerns. With much success, representatives from the State of Alaska supported new information boards that were placed along the O'Brien and Haley Creek road with more engagements and education set for 2022.

Culture resource protection, private property rights, public safety concerns and right of way adjudication are some of the many items to be addressed in the upcoming year.

Taral Enterprises

The Wrangell View Store continues to focus on community safety, by supporting essential food items to Chitina and the region. With overall sales staying roughly the same as last year the focus has been maintaining a steady inventory. Trips to Anchorage to re-stock have been challenging due to COVID, but the basic food staples seem to be mostly available.

Wrangell View RV park, the 1 mile campsite and Liberty Falls have all had an exceptional year with lots of visitors to the region. The RV Park and 1 mile campsite will be looking to upgrade in 2022, with a new on-line reservation system, increased marketing presence, on-site internet connectivity, larger camp spaces, and other creature comforts to keeping visitors comfortable.

Chitina Real Estate Investments

Chitina Native Corporation Real Estate Investments continues to hold one commercial and three residential properties in the Anchorage Bowl. The Anchorage market continues to be busy, and we look to invest and bring current these properties when a vacancy presents itself. The CNC Board of Directors has always envisioned a portfolio of assets to include Real Estate holdings, and in alignment with that vision, we continue to look for opportunities and ways to diversify our portfolio.

CNC Invests in Airstrike Firefighters, LLC

Chitina Native Corporation was presented with an opportunity to invest in an aerial firefighting company in 2021. Airstrike Firefighters, LLC is a company which is primarily focused in on the heavily regulated Aerial firefighting sector. With global climate change, there is more of an emphasis on extreme weather events and emergency services both at the State and Federal level. With two planes certified, and one going through the federal certification process, Airstrike LLC will be ready to respond.



New Subsidiary—Chitina Support Services, LLC

With our increased business marketing efforts, Chitina Native Corporation has seen an opportunity to grow another subsidiary in response to customer demands. CNC is pleased to announce that it has authorized the creation a new subsidiary, Chitina Support Services, LLC (CSS) with a focus on logistics and support services to the federal government. CSS has started working on their Small Business Administration 8(a) Business Development application and are actively pursuing opportunities as Chitina's newest subsidiary. "CSS is the next logical step in order to grow our federal business base" said Ed Herndon, CEO CNC.

Shareholder Services

For 2021/2022 your CNC BOD has looked at ways to provide services, dividends and other benefits to you, our shareholders. With a focus on growing those benefits we are working on ways to keep timely accurate information. With CNC's proposed new class of shares, updated dividend policy and proposed revision to increase all benefits through the CNC Shareholder Trust, you will likely be receiving a phone call or email gathering much needed details. We will be looking to establish lineal descendants' information, updated wills and other important owner information.

2021 CNC Dividend

You should have received your 2021 CNC dividend by now, if not please call Shareholder Services at 907.823.2223 and confirm we have your correct and current information. CNC would also ask that you consider direct deposit for next year as this is a more secure and faster way to receive your dividend. **The 2021 CNC dividend is considered tax free to the shareholder.**

CNC Shareholder Settlement Trust— What you should know

Soon you will be getting information related to amending the Settlement Trust to add additional benefits. It is important for you to remember why we created the CNC Shareholder Settlement Trust and in the coming months we will detail the additional benefits that will be added for you and future generations of shareholders.

To recap details of the Settlement Trust;

1. **Why is CNC considering creating a settlement trust?** Recent changes to those laws governing Alaska Native Settlement trust have created very favorable terms for shareholders and the corporation. The CNC Board has determined that the creation of a Shareholder Trust is a great way to pursue long term sustainable shareholder benefits.
 2. **What is a Settlement Trust?** A Settlement Trust is a trust organized under the provisions of the Alaska Native Claim Settlement Act (ANCSA) and Alaska law to provide certain benefits to the shareholders of a specific Native corporation.
 3. **Why use a Settlement Trust?** A Settlement Trust is used to promote the “health, education and welfare of its beneficiaries and preserve the heritage and culture of Natives.” There are many benefits that could be provided from Educational Scholarships, Dividends, Funeral benefits and others as defined by the directors of the trust.
 4. **Who are the Beneficiaries of the Trust?** CNC Shareholders
 5. **How long may a Settlement Trust last?** There is no limit on how long a Settlement Trust may last.
 6. **How would Dividends or other benefits be determined?** Dividends and other distributions would be determined by the trustees in the same fashion as the directors for CNC currently determine dividends.
- Please call (907) 823-2223 or email info@chitinacorp.com with any questions regarding the CNC Shareholder Trust.**

In Remembrance

Rose Hamilton

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John Kindgren Sr.

Joey Leonard

Gerald Mahle Jr.

Max Nesslage

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PLACE
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