

Our shareholders
come first



April, 2014

AKHIOK - KAGUYAK, INC. NEWS

Letter from the Chairman

Happy Spring!

With summer right around the corner, I hope everyone is enjoying the longer, brighter Alaskan days.

Open enrollment for Affordable Care Act (ACA) insurance coverage for most Americans closed on March 31st. However, Alaska Native & American Indians can enroll to A.C.A. for medical insurance and also, register for exemption anytime in 2014. All though Alaska Native Tribal Health Consortium (ANTHC) recommends applying for exemption no later than October 2014 to ensure that the federal government has enough time to process the applications. Alaska Native & American Indian people MUST apply for exemption to avoid tax penalties. The exemption paperwork is available on line at HYPERLINK http://anthctoday.org/aca/Indian_Status_Exemption.pdf. If you have questions about A.C.A. or need help, you can contact ANTHC health Reform group at (907)729-7777. Additional information is also available at HYPERLINK <http://anthc.org/aca/>.

I am pleased to report that I have met with Paul Gray, Producer for The Kaguyak story. Father John Zabinko gave us permission to film Tolling-of-the Bells to commemorate Great Alaska Earthquake, on March 27th in Anchorage, AK for it's 50th Anniversary. Mr. Gray will be visiting Kodiak and the South end of the island sometime soon. Once again, if you have any pictures of Kaguyak you would like to share, please contact myself or AKI office. Thank you!

On behalf of the Board of Directors, we hope to see you at our Annual meeting in a Kodiak on Saturday, May 26th, 2014 at the Afognak Building on Near Island. Registration begins at 9:00 a.m., the meeting will start at 10:00 a.m.

Wishing you all a wonderful Easter Holiday.

Best Regards Always,
Phyllis Amodo



Akhiok-Kaguyak, Inc. 2013 Board of Directors

Following are the names and addresses of your current Board of Directors.

Phyllis Amodo, Chairman
PO Box 5069
Akhiok, AK 99615

Pauline O'Brien, Vice Chairman
6201 Spruce Meadows Dr.
Anchorage, AK 99507

Robert Simeonoff, Jr., Secretary
8441 Berry Patch Drive
Anchorage, AK 99502

Gary Rozelle, Sr., Treasurer
PO Box 5033
Akhiok, AK 99615

Fred Coyle, Jr., Director
PO Box 2071
Kodiak, AK 99615

David Eluska Sr., Director
PO Box 5034
Akhiok, AK 99615

Ernie Berestoff, Director
8113 Harvest Circle
Anchorage, AK 99502

AKI Management/Staff

Becky Peratrovich – President
Phone: 258-0604 Ext. 203

Pamela Rodriguez – Administrative Assistant II
Phone: 258-0604 Ext. 202
pam.rodriguez@aki-kodiak.com

For General Questions or Assistance:

907-258-0604
fax 907-258-0608

www.aki-kodiak.org
1400 W. Benson Blvd., Suite 425
Anchorage, AK 99503

Hours of Operation

AKI's hours of operation are Monday thru Friday 8:00 a.m. – 5:00 p.m., excluding some holidays. AKI is "closed" during the lunch hour of 12:00 – 1:00 p.m. Please keep this in mind when you are calling the office or plan to stop by. If staff is running errands or out of the office during working hours for other reasons there will be a sign on the door with an explanation and a number to call.

Inside This Issue:

Chairman's Letter.....	1
President's Letter.....	2
Scholarships.....	3
Dividend History.....	4
Annual Meeting Notice.....	5
Commercial Properties Report.....	6
Submit an Article Info.....	8

Letter from the President

Dear Friends,

I would like to thank those shareholders who participated in AKI's "Resume Building" workshop/training. It's nice to have shareholders involved and participating. We are currently planning a cultural type workshop/training. We will send a postcard out announcing it once all the arrangements have been made. We are open to ideas and suggestions on other training topics as well and if you are a trainer and would like to share your talent with other shareholders, please give me a call at the office.



AKI's 2014 Strategic Planning work session in February went very well. Your Board of Directors worked very hard for three days and made some much needed updates to the plan and we look forward to sharing those changes with you at the Annual Meeting.



Following the Strategic Planning Workshop, AKI board members and I took the opportunity to meet with UBS Financial at their office in Seattle to review the asset allocation study that was performed at the request of AKI Board of Directors and to review the year-end financial performance for both AKI and AKI/SPF. We are pleased with the results and are anxious to share them with you in the 2013 Annual Report.

We have been very busy during the past few months working through the Annual Audit, the development of the Annual Report and preparing for the upcoming annual meeting. This is a very busy time for AKI. If we are not available at the office, it may mean we are out running errands or we are in meetings and we appreciate your patience. If you call and we are not available, please leave us a message. We will return the call as soon as possible.

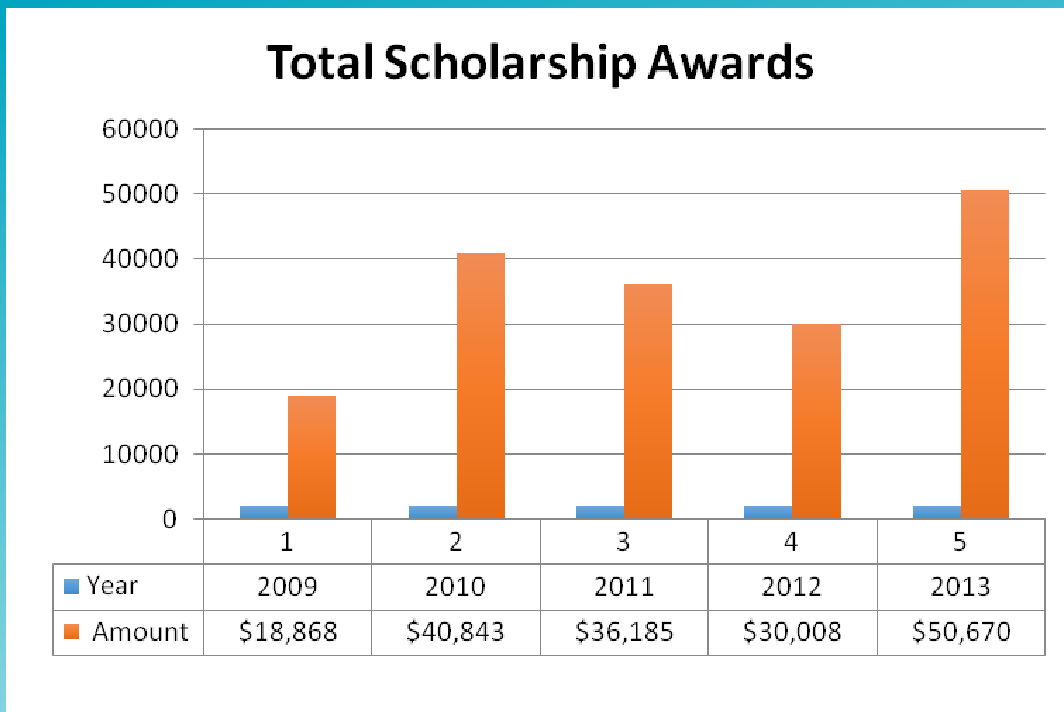
Warmest Regards,
Becky Peratrovich
President

Applications are available at the AKI office and on our website, AKI-Kodiak-com. Scholarships are for registration, tuition and books. Each shareholder is limited to one scholarship per year. Applicants must fill out one application per year and check all of the semesters/quarters they are attending. Continuing students must also submit a completed application.

	<u>Per Year</u>	<u>Deadline</u>
Academic Achievement/Graduate Scholarships	Up to \$6,000	One Month Prior to class beginning
College/University Basic Scholarship	Up to \$6,000	One Month Prior to class beginning
Vocational Education Grant	Up to \$6,000	One Month Prior to class beginning
Career Development Grant	Up to \$1,000*	One Month Prior to class beginning

*Career development grants of \$1,000 can be awarded twice a year.

Please, call (907) 258-0604 or 1-888-258-0337 if you would like to request an application or have any questions.



SHAREHOLDER SCHOLARSHIPS

As you can see in the chart above, 2013 was a big year for shareholders enrolling in educational programs. We are happy to see more shareholders deciding to seek higher education and hope this trend continues and shareholders reach their educational goals.

Dividend Distribution History

History of Distributions		
Date	Source	Total Distribution Amount
1995		
1996	Shareholder Permanent Fund	349,860
1996		443,058
1997		1,882,939
1998		1,327,274
1999		2,113,936
2000		2,585,301
2001		2,189,801
2002		16,767,459
2003		15,532,496
2004		358,141
2005		231,480
2006		285,486
2007		296,360
2007		Corporation
2008		97,715
2008	Exxon Qualified Settlement Fund	297,774
2009		943,308
2010		776,118
2011		791,571
2012	Shareholder Permanent Fund	482,122
2013		310,515
TOTAL		48,164,999

AKI shareholders have been provided dividends/distributions since 1996. In some years the amounts were higher than Regional Corporations provide to their shareholders on a yearly basis. The table “History of Distributions” shows the year, amount and source of those dividends/distributions.

Whether or not to declare a dividend, and in what amount, is one of the most important duties of all Board of Directors/Trustees. A duty which your Board takes very seriously. It is obvious that the beneficiaries have benefited significantly through the years. Which proves your Board is working for you, the shareholders of AKI. There are many things to take into consideration and much research is done prior to a declaration of any amount. Be assured that the Board of Directors monitors all assets on a regular basis in order to make sound financial decisions.

Shareholders **BEWARE!**

Someone has setup an AKI shareholder page on facebook without authorization or endorsement from the corporation and are using the Akhiok-Kaguyak, Inc. vision statement. AKI is asking shareholders that if you have questions about the corporation to contact the corporation directly, read the newsletters, check out the website, attend the Annual Meeting and participate in other shareholder activities.

The negativity is unproductive and only hurts your corporation’s reputation. Anyone who has the corporation’s best interest at heart will work with and not against the corporation.

So please beware!



When, where and what time:

Saturday, May 26, 2014

Registration begins at 9:00 a.m.

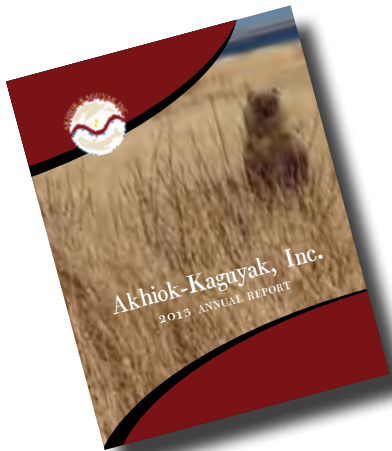
Meeting begins at 10:00 a.m.

Afognak Building - 300 Alimaq Street, Kodiak, Alaska 99615

April 18, 2014 – Mailing of Annual Meeting Proxy material

May 21, 2014 – Proxy Deadline 5:00 p.m.

Proxy Incentive - \$25 for 1st valid proxy



We need volunteers:

AKI is looking for two AKI shareholders who reside in the Kodiak area who would like to help at the Registration table during the Annual Meeting to be held in May. If you would like to help, please give us a call at the office by April 21st, 2014 at 907-258-0604.

Corporate Records:

Alaska law requires AKI to make its corporate records reasonably available for inspection and copying by shareholders, upon a shareholder's written demand which states the purpose for the inspection and/or copying. "Corporate records" include minutes of meetings of the shareholders and meetings of the board of directors once those minutes have been adopted. AKI's Articles of Incorporation and Bylaws are also corporate records subject to shareholder inspection and copying, as are the names and addresses of shareholders, so long as the requested records are directly connected to the stated purpose for inspecting the records.

A shareholder requesting corporate records must (a) put the request in writing and (b) state "with reasonable particularity the purpose of the inspection." Only those records that are directly connected with the stated purpose should be and will be provided. For example, if a shareholder requested a list of shareholder names and addresses for the purpose of selling or marketing that list, a corporation could refuse to provide the information because the request was for an improper purpose.

1400 W Benson: Michael Baker Jr, Inc. has vacated the 2nd floor. They were in need of 5,000 additional square feet and we could not accommodate them. Bernie Lewis, our Property Manager is working with a couple leads for this floor. We expect it to be leased within the next month or so. Remodel of the bathrooms in the Benson building is currently underway. Stair treads were installed on the Entrance Stairs for safety reasons. In a constant effort to reduce energy costs, Bernie applied for and received a grant for an energy audit for the Building from Alaska Energy Authority. Engineers will be looking at all components of the building for efficiency. Once completed they will provide recommendations, cost estimates and return on investment indicators.



5th Avenue: This building is fully occupied. Energy Audit funds were applied for, for this building as well and a grant has been received. An Engineering firm will be selected and work will begin soon. There was a small fire in the electrical room and repairs needed to be made and were completed. Also some code corrections were done to the sprinkler system. There are a few projects on the horizon for this building such as remodel of the bathrooms and the back egress hallway. However, nothing major.

6th Avenue: The 2nd and 3rd floors remain vacant. Although, the property manager is looking into a new lead. This building will need some construction work completed,

including a small elevator or lift for ADA requirements, as well as erecting a ramp for handicapped accessibility either in the front or back of the building. Funds were received for an Energy Audit for this property as well.



Commercial Real Estate Outlook for 2014

Bernie Lewis, Property Manager

Predictions were made at our annual Commercial Real Estate BOMA conference, there is general consensus on growth.

We should see a rise in Commercial Construction this year, on the horizon, and should this come together - an Outlet Mall with tenants such as Coach, Banana Republic, Crate & Barrel, Nike, Polo Ralph Lauren, The North Face, and others. Marriott is building a new four-story complex on 32nd Avenue behind the Embassy Suites in Midtown, with a completion date of Summer/Fall 2014. JL Properties is building yet another office building in Midtown - on the corner of C Street and International Airport Rd., this one is a 4-story office building with a completion date of sometime in 2015. CIRI has begun construction of their 3 building office tower at the former Fireweed Theater location, completion date is uncertain. There is some construction planned at the airport, estimated in the \$100M range, construction to be in phases, with a timeline for completion about 2023. Eklutna, UAA, Providence Alaska, Alaska Regional, the Mat-Su and Anchorage School Districts, and the Alaska Native Tribal Health Consortium are all planning either upgrades, or new construction in the near future. There is some new construction planned for the downtown area as well, just off Fourth Avenue. Hard Rock Cafe will open in the former Rum Runners building in the spring. Verizon has established a presence in Anchorage, and some newcomers - Krispy Kreme, Cabelas, Texas Roadhouse, and others. We have even heard that Victoria Secret will be moving into Anchorage, but not confirmed.

Our vacancy rates continue to be below National levels, though may be challenged with new deliveries. The retail sector has grown tremendously, and has not stopped, even with the Tikahtnu Development, Glenn Square and various projects in South Anchorage, our retail vacancy rates are also below national levels.

The Industrial sector here in Anchorage is an interesting one, we have little land to develop new facilities, some existing properties are quickly becoming obsolete, and the cost to build is high, there is need, vacancy rates remain low as industrial users remain in their spaces.

The unemployment rate, and economic growth for 2013 was positive, most of our growth came from the Health Care, professional Business Services and Leisure and Hospitality sectors. Our Residential market suffers with low supply and very high demand. Mr. Neil Fried, Economist for the State of Alaska, Department of Labor & Workforce Development predicts low growth in employment for 2014, and as with predictions for any year here in Anchorage, a lot depends on Military activity, Federal money flowing to our state, and the Oil & Gas Services Industry.

New York Life Burial Insurance

AKI is encouraging all shareholders who have not yet applied for the New York Life insurance policy to do so as soon as possible. Only those shareholders who did not previously apply should request an application. Once a shareholder has applied, regardless of whether they are approved or denied, their beneficiary is eligible for the \$10,000 burial assistance. However, if a shareholder simply does not apply, their beneficiary will only be eligible for \$5,000 in assistance. Benefits are paid to the beneficiary upon receipt of a certified death certificate. If you wish to apply for New York Life insurance, please call Chris Fejes Sr. at his New York Life office at (907) 348-6070.

Do You Have A Current Will On File?

If you do not have a current will on file with the Corporation, we encourage you to contact the AKI office at 888-258-0337 or 907-258-0604 to request a form or you can go to the AKI website www.AKI-Kodiak.com for the Will Form. This will ensure your shares are transferred to the individuals of your choice. If you are unsure if you have a will on file, please give us a call, we will be happy to check on it for you.

Elder Shares

This is just a reminder; Elders shares are distributed when an Alaska Native shareholder turns 65 years of age. The shares that they own at the age of 65 is the number of elder shares that are matched, up to 100 shares. Example: When you turn 65 and you have 22 shares you would receive 22 elder shares. If you have 150 shares, you would receive 100 elder shares. The elder shares reflect the shares owned up to 100. We know this can be confusing at times and if you have any questions please give us a call at the office.

Direct Deposit and Change of Address

AKI encourages shareholders to take advantage of direct deposit, for future distributions. It is important to keep your address current with AKI even if your checks are direct deposited. Payment receipts are mailed. If you have changed your address or phone number please put in a change of address form or contact the office. These forms are available on the website www.AKI-Kodiak.com for your convenience.



Akhiok-Kaguyak, Inc.
1400 W. Benson Blvd., Suite 425
Anchorage, AK 99503

New AKI Web Store Update!

Although delayed, the shareholder web store should be up and running soon. There are a few technical issues that need to be worked out. Please keep checking the AKI website for this wonderful new addition to our website.

Record Date

Apparently there was some confusion about the “record date” for distributions and the date in which a person is eligible for Elder shares. Elder shares are issued on the date that a shareholder turns 65 years of age. When a record date for distributions is set, that means all those who “own” shares/elder shares **“ON THAT DATE”** are included in the distribution.

If a record date is set and a shareholder turns 65 after that date but prior to the distribution date they are not entitled to the Elder share distribution as they did not “own” elder shares at the date of record.

I hope this clears up any confusion. If you have further questions on this topic, please call us at the office.

Submit an Article

Shareholders are encouraged to submit articles and/or announcements that they would like to share with their fellow shareholders. We enjoy hearing of births, graduations, and other events. Below are guidelines to assist in the creation of your article or announcement.

Guidelines: AKI reserves the right to edit announcements and news articles for grammar, brevity and taste. Announcements and news articles submitted for the AKI newsletter must be submitted 10 days prior to publication. A limit of 200 words may be imposed depending on space. Photographs are welcome in print or digital format with at least 300 dpi resolution.

Announcements and Articles may be submitted by dropping it off at the AKI office or mailing it to: **1400 W Benson Blvd. Ste. 425, Anchorage, Alaska 99503**, or emailing to: **pam.rodriquez@aki-kodiak.com**.