



T e b u g h n a H e n e k

"Beach People News"

A Newsletter for the Shareholders of

Tyonek Native Corporation

March, 2007

YAAM Position Soon to be Available

The TNC **Young Adult Advisory Members** Committee (YAAMs) consists of 3 youth members and one or more board mentors. Each member serves for 3 years, and the terms are revolving. YAAMs was created as a training tool, to give young shareholders (from the ages of 18 to 30) a hands-on opportunity to participate in and experience board of director activities. YAAMs members attend board and shareholder meetings, some committee meetings, and other board and corporate functions, such as the AFN Convention. Current YAAMs members are **Steven Holly, Elizabeth Standifer, and Ann Marie Stephan**. Ann Marie's term will end this spring, and the board will select another individual to fill that seat. She has written a letter concluding her YAAMs service—see page 8.

If you are interested in applying for a seat on the YAAMs committee, you must complete a YAAMS application and submit it to Ted S. Kroto, Sr. More information, applications, and instructions are available at the office, or on the website, www.tyonek.com, go to the Shareholders pages.

SHAREHOLDERS WANTED

Tyonek Native Corporation is looking for workers to help at the Annual Meeting of Shareholders to be held Saturday, May 19, 2007, in Anchorage. We will need workers for various types of services, including set-up, clean-up and day-care. If you are 18 years of age or older and interested, please call Becky S. Peratrovich at our Anchorage office, (907) 272-0707 for details.

Annual Meeting

Please mark your calendar for the 33rd Annual Meeting of Shareholders in Anchorage, Alaska on **Saturday, May 19, 2007** at the **Church of Nazarene facilities, 4025 W 88th Street**. Registration will begin at 11:00 a.m. and end at 1:00 p.m. and the meeting will be called to order at 1:00 p.m. The purpose of the meeting is to elect three (3) members to the Board of Directors and to conduct any other business that may properly come before the Annual Meeting. A packet will be mailed on or before **Monday, March 19, 2007** to shareholders ages 18 and older with important information for shareholders who wish to run for a seat on the Board.

Shareholders who declare their candidacy by the deadline, **Wednesday, April 4, 2007** by completing a questionnaire which will be provided in the packet, will be included in the proxy materials and information statement to be mailed to shareholders in mid-April.

Continuing Board members also must complete the questionnaire. We encourage each of you to read these materials carefully as each candidate must comply with applicable Federal and Alaska state laws and regulations relating to solicitation of proxies which apply to Native Corporations who have 500 or more shareholders. Individuals who choose to solicit shareholder proxies on behalf of a candidate are also required to file certain documents with the State of Alaska.

More details will be included in the proxy mailing in mid-April. We look forward to seeing you at the meeting. ~

Who's Who at Tyonek

Board of Directors & Date Last Elected

Connie J. Burnell	(5-24-05)
Ted S. Kroto, Sr.	(5-22-04)
Emil McCord, Jr.	(5-22-04)
Susanna L. Moon	(5-24-05)
Donita L. Peter	(5-20-06)
Jaison Standifer	(5-24-05)
Donald Standifer, Sr.	(5-20-06)
Michaelene Stephan	(5-20-06)
Robert Stephan, Sr.	(5-22-04)

Officers

President	Connie J. Burnell
Vice President	Robert Stephan, Jr.
Secretary	Donita L. Peter
Treasurer	Connie J. Burnell
Asst. Sec / Treas	Emil McCord, Jr.
Chair	Susanna L. Moon
Vice Chair	Michaelene Stephan

Board Mentors

Seraphim Stephan, Sr.
John Evans
John Shively

Young Adult Advisory Members

Ann Marie Stephan
Elizabeth Standifer
Steven Holly

Staff at Anchorage Office

Tom Harris, Chief Executive Officer
Lenn A. Doran, Chief Financial Officer
Ted S. Kroto, Sr., Manager, The Alaska Div.
Scott Pfeifer, VP, Government Services
Kevin Dixon, Program Manager, Services
James Anderson, Operations Manager, Services
Mel Cheek, Contoller
Karin Griffith, IT Manager
Sally Clampitt, Head of Administration
Becky Peratovich, Senior Administrative Asst.
Rose Chuitt, Shareholder Records Clerk/Admin Asst.
Sheila Mae Allowan-Moore, Receptionist

Contact Information—Anchorage

Telephone—(907) 272-0707
Fax—(907) 274-7125
Toll-Free —1-(877) TNC-MOOS (862-6667)

Contact Information—Tyonek

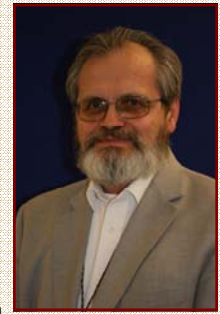
Telephone—(907) 583-2520
Fax—(907) 583-2530
Toll-Free Telephone—1-866-583-2520

Website

www.tyonek.com

CEO's Corner

by Tom Harris



Over the last two months the company has been involved with scores of meetings regarding impacts of the near term development of what is called the Chuit Coal mine, which includes 12 miles of conveyor from the mine to a future coal loading port on Kenai Peninsula Borough property located at Ladd Landing and a 10,000 foot pier going into Cook Inlet about a mile from the mouth of the Chuitna River. This project is expected to add 51 MW of load on to the existing power grid.

The opening and development of the coal mine will have long term and permanent impacts on the community of Tyonek and Tyonek Native Corporation lands even though the development currently does not directly involve TNC owned lands. The current Chuit Coal Supplemental Environmental Impact Statement (SEIS) is an involved and complex permitting process in which the Environmental Protection Agency (EPA) as the lead federal agency in charge is anticipated to award a permit to authorize the coal company to begin construction potentially within the next 12 months. However the exact time line of permit determination and subsequent start up is unknown.

It falls to the Board of Directors of TNC and TNC management to prepare for this event and in particular help the extended community of Tyonek to prepare for the impacts of this development. Additionally, TNC is aware that there may be one or more development coal related projects, which if successful, will have an impact several times larger than currently anticipated by the existing Chuit coal project. As such, TNC's Board of Directors has taken steps to begin planning for the impacts of this coal and future projects. Those plans include:

- Begin research and planning for the conveyance of lands from TNC to a future municipality as defined and required in Section 14C3 of the Alaska Native Claims Settlement Act (ANCSA). This provision requires TNC to convey up to 1280 acres to an existing municipality or to the state in trust for a future municipality. After the planning is complete the Board of Directors will review and approve that conveyance in a manner that serves the best interests of the extended Community of Tyonek.
- Begin research and planning for the conveyance of lands from TNC to TNC shareholders as defined and permitted by Section 21(j) of the Alaska National Interest Lands Conservation Act (ANILCA). This provision permits the Board of Directors to convey a tax free land dividend of up to 1.5 acres per 100 shares to TNC Shareholders for the specific purpose of a homesite for the TNC Shareholder's family or extended family. After the research and planning is complete and the Board of Directors approves the plan, the plan will need to be approved by Shareholder vote. It is anti-

(Continued on page 3)

CEO's Corner *(Continued from page 2)*

pated that the research and planning of the TNC Shareholder Homesite Program will take not less than 18 months to prepare it in a form that meets with the approval of both the TNC Board of Directors and TNC Shareholders.

- Begin research and planning on the successful integration of both the Section 14C3 conveyance of lands to a future municipality and the Section 21(j) Shareholder Homesite Program, in a manner that maximizes the benefits of both programs to serve the best interests of the future Tyonek extended community that will include the Native Village of Tyonek and its members, Tyonek Native Corporation and its shareholders, the Native Allotment owners, Cook Inlet Region, Inc. and its shareholders, and will likely include the West Cook Inlet Community including Beluga, the stakeholders and miners of the Beluga Coal industry, Chugach Electric Association and its power plant, Kenai Peninsula Borough, the State of Alaska and the residents along the future road to Mat-Su Borough.

- Begin research and planning for the conveyance of lands from TNC to the Native Village of Tyonek as defined and required by Section 14C1 and 14C2 of ANCSA. This provision requires TNC to convey lands claimed by prior use within the then existing village site occupied by the Native Village of Tyonek. After completing the research and planning with the Council of the Native Village of Tyonek, the Board of Directors of TNC will review and approve the conveyance.

As you can tell this multiyear intensive effort will involve and impact every TNC shareholder and NVT member. We encourage you to stay informed on these issues as they develop. TNC plans to hold several shareholder advisory meetings over the next two years to seek your input and your guidance as we prepare these decisions for the Board of Directors.

Thank you.

Tom Harris,
CEO



THE TYONEK GROUP

TNC's group of companies that perform government contracting, and whose primary operations are located in the Lower 48, make up "The Tyonek Group". These companies provide the lion's share of all of TNC's revenues. Bart Garber provides an update for you here.

Contracting activity for manufacturing and services continue to meet or exceed our budget expectations. The Air Force at Warner Robins recently ordered another rail set for about \$ 2.4 million. This will allow TMG to make its budget for the year as most of this order constitutes local labor at the Madison plant. In addition, the government is completing its audit on the last of a series of manufactured items in our largest program – CTR, continual technology refreshment. These items will substantially add to our contract backlog. Finally, painting activities at Anniston are exceeding budgeted quantities.

The services division (TSG) made substantial equipment sales in January and closed on a long term aircraft maintenance contract with the Navy in February. The Navy contract together with a growing number of IT, training, and technical support contracts will substantially increase service's contribution to TNC profits and to the cost of administration. The long term nature of the contracts also gives services more time to develop other core competencies and marketing capabilities.

The debate regarding the future of ANC/tribal 8(a) participation is beginning to focus. Opposition groups are concentrating on a policy of creating "equality". Either we come down to their level of low sole source thresholds and the same affiliation and

regulatory limits or, alternatively, let everyone enjoy unlimited sole source contracting in the 8(a) program. Some of the groups want Congress to put ANC/tribes into a separate program

More thoughtful proponents, including the women's business associations and law journal authors recommend a more cautious and limited approach that would allow ANC/tribal 8(a)s to improve their training programs, adopt small business subcontracting goals and give them time to develop effective strategies to transition into competitive, commercial and government contracting.

Recent discussions at meetings including Black, Latin, Native American and Women business association leaders seem to indicate that there may be common areas of interest that might allow the groups to come to consensus on the future of the program. These initiatives may revolve around advocacy for higher small business participation goals.

Tyonek is at the forefront in coordinating our discussions with the Black, Latin and Women Owned small business associations. We are also meeting with NCAI and other Native business organizations on these issues on a regular basis. ~



THE ALASKA DIVISION

TNC's activities and companies located in Alaska make up "The Alaska Division". This Division includes not only companies, but the activities of such important departments as the Lands Department and the Shareholder Department. Alaska Division Manager Ted S. Kroto, Sr., provides an update for you here.

Coal—TNC has notified the developers of the Beluga coal fields that we are not interested in their planned route through the north east section of TNC property.

The Kenai Peninsula Borough (KPB) will consider a resolution at their next meeting to renew the lease of Borough land for the Chuitna Coal lease at Ladd Landing. TNC does not support this resolution, and we plan to appeal to the KPB Board. The land was determined to have archeological sites associated with it, and any development in the area could damage or destroy those sites. TNC and NVT have submitted a joint resolution to oppose the renewal of the lease to the coal company.

Tyonek Lodge—Alaska Pacific Coast, new manager of The Tyonek Lodge, is continuing the bookings for the 2007 season. Ted S. Kroto, Sr. attended the SCI convention in Reno along with Gordon Ransom of APC and Ray Ortiz of Alaska Lodge to promote the Tyonek lodge and make contacts within the marketing venue. We have successfully booked several brown bear hunts in our lower Cook Inlet properties and black bear hunts for the Tyonek Lodge. Gordon is putting together the fishing season with employees from Tyonek and is working with the village to provide opportunities for the Boys & Girls Club and the Drum group to perform for clients. He is also developing opportunities for those who want to sell bead work, and for training to become guides for hunting and fishing.

Natural Resource Conservation Service (NRCS) - We have met with Crystal Leonetti and Ronnie Mauer of the NRCS to look into controlling dust and stabilizing the road and river trails around the air strip and Chuit River.

When nearby birch trees are ready to seed, we will cut them down and drag them to cleared patches of ground to let the seedlings fall into the cleared ground. This EQIP contract is to promote the natural food source for moose to expand naturally and provide food sources in the winter months when deep snow prevents access, thus increasing survivability of the calves in the spring months.

Envirotech LLC—The sale of the Kenai property to R & K Industrial dba Superior Environmental has been rejected due to R&K not complying with the contract terms and meeting payment deadlines. We have marketed the property with Alyeska Real Estate and will await responses from interested parties. The west side drill mud treatment work should begin when Aurora starts their drilling program this spring. Envirotech will work with Tyonek Contractors to provide a more efficient disposal method that will benefit both companies and the client as well.

Tyonek Contractors LLC—TCLLC has opened their Anchorage office in the Kaloa building and has hired Bryce Wagoner to manage projects in the south central areas. Don Standifer and Bryce are putting bid proposals in for several different projects as a joint venture partner with other companies. TCLLC is preparing for the drilling season with Aurora and expects to subcontract work from Envirotech on the drill mud treatment process for Aurora. TCLLC has submitted an application to the State of Alaska as a Disadvantaged Business Entity (DBE), and is preparing an application to the Small Business Administration for 8a status.

Lands—Robert Stephan, Sr. is remodeling the Tyonek office for our Tyonek land department and area for weather bound personnel from the Anchorage office.

He is preparing for the winter moose track survey, which involves driving the snow machine in one direction (the same direction every year) and counting moose tracks on those routes. This survey will allow us to get an accurate route that the moose use each year, and give us a better idea on planning future habitat enhancement projects.

We have met with CIRI and the other Cook Inlet Villages to continue our land selection process. The first meeting basically gave a history of the prior selection process, litigation issues to date, and current land conveyances and selections. Our next meeting will address completing our Appendix A conveyance and drafting the Appendix B selection process.

NPI LLC—NPI is still evaluating the timber harvest on the Westside along with transportation issues of the timber product to the point Mackenzie port. They have several options for the timber which may involve an operation at North Foreland or Port Mackenzie.~

Some Interesting Facts About Our Shareholders as of 3/20/07 . . .

- There are 653 shareholders total
- 233 own Class A stock only
- 345 own Class B stock only
- 67 own both Class A and Class B stock
- 8 own Class X stock (non-voting)
- 311 are male
- 337 are female
- 426 are 18 years of age or older
- 237 are under 18 years of age
- 208 are Original Shareholders

Several years ago, Tyonek Native Corporation set up a group insurance policy through LifeWise Assurance Company for shareholders of the corporation. The intent of this policy was to provide financial assistance to shareholders families for burial costs in the event of a shareholder death. Below are the most frequently asked questions and answers to those questions.

Q: Are Class “B” Shareholders covered under this policy?

A: All stockholders of both Class “A” and Class “B” stock are covered under this policy.

Q: What is the insurance coverage amount?

A: The coverage amount is \$100 per share, rounded up to the nearest 10 shares. Typically a shareholder who owns 100 shares of stock is covered for \$10,000. The actual amount depends on the amount of shares a stockholder owns, *up to a maximum amount of \$20,000.*

Q: Am I covered if I gift my shares to another individual or family member?

A: If a shareholder gifts all of his/her shares to another individual or family member the shareholder gifting his/her shares is no longer a stockholder and is not covered under this insurance policy. You must be a shareholder to be covered.

Q: Who pays the premiums?

A: Tyonek Native Corporation pays the premiums on behalf of shareholders. Shareholders do not pay for this coverage and the premium payments are not taken out of shareholder dividends.

Q: Can shareholders receive advance payments or use the insurance as collateral on personal debts or loans?

A: No. Shareholders cannot receive advance payments and the insurance policy cannot be used as collateral for any debts or loans.

Q: What is the process for payment?

A: Upon notification of a shareholder death the corporation notifies the insurance company of the death and contacts the designated beneficiaries/heir(s). Once the claim form and all appropriate paperwork are executed and the death certificate is received, TNC submits this to the insurance company for payment.

Q: How long does this process take?

A: Typically once all mandatory paperwork is completed

and submitted to the insurance company it takes about 2 to 3 weeks for beneficiaries/heirs to receive payment from the insurance company.

Q: Who are payments made to?

A: Benefits are paid to the beneficiary (ies) designated by the shareholder.

Q: How does a shareholder designate a beneficiary?

A: By completing a “**Beneficiary Designation or Change Authorization**”. This form is available at the TNC Office. For Class “B” stockholders this is provided in a “New Shareholder” packet following final approval of enrollment.

Q: Who receives the insurance benefit if I do not designate a beneficiary?

A: If a shareholder has not designated a beneficiary by completing the “**Beneficiary Designation or Change Authorization**” form the insurance payment will be paid to the legal heir(s).

Q: Can I change my beneficiary (ies) if I change my mind?

A: Yes. By completing, signing and dating a new “**Beneficiary Designation or Change Authorization**” form you are revoking any previous form you may have on file.

Q: What if a family does not have the money to pay for the funeral costs and hasn’t yet received the certified death certificate?

A: Under certain circumstances a funeral home and the insurance company may work together and the insurance company will pay the funeral home directly what is owed to them up to the coverage amount for any funeral costs. However, this is only under certain circumstances and the beneficiary/legal heir will need to coordinate and confirm this with both the funeral home and insurance company through the collaboration of the corporation. The beneficiary/legal heir(s) are responsible for all costs which exceed the coverage amount.

If you have any questions regarding the Shareholder Group Insurance Policy please give us a call, we will be happy to answer any questions you may have. ~



Tyonek, the village of the 21st Century ANCSA — HOMESITES — 14(c) LANDS ? ?

What Are These Things, and What Do They Mean to Shareholders ?

In anticipation of increased coal development around Tyonek's lands, the TNC Board and Management plan ahead to develop and protect the land interests of the Shareholders and their families.

ANCSA – What Is It - 36 Years Ago, the U.S. Government passed legislation that gave 44 million acres of land, (approximately one-ninth of the state) and \$962 million to newly created Alaska Native regional and village corporations. The legislation is called the Alaska Native Claims Settlement Act of 1971, or ANCSA for short. It was intended to give Alaska's Native population rights to certain land, in exchange for giving up other land claims that could delay the Alaska oil pipeline and other development.

How Much Land Did Tyonek Receive ? The amount of money and land that each village corporation was entitled to was based on how many Natives of at least 1/4 Native blood lived in the village on December 18, 1971. Tyonek's Native population, according to the census, was 302.

Tyonek's total land entitlement is 193,515 acres, of which it has received patent (final ownership) or interim conveyance (a preliminary form of patent) to 73,222 acres, leaving 120,333 acres remaining to be selected and/or conveyed. TNC had selected much of its remaining entitlement, however due to decisions by the US Department of Interior, National Park Service, most of those selections were taken out of the land claims set aside process for the conservation purpose of creating the Lake Clark National Park. Over that past decades TNC and five other CIRI Villages who are also waiting to receive their lands, have been attempting to resolve the selection conflicts with CIRI and BLM. Regrettably it looks as though it may be several more years before a solution is found. Nevertheless, while we await a successful resolution of the remaining land claims issues, TNC is proceeding with the planning and development of the 73,222 acres of land it has received.

With the growing worldwide energy demand and the imminent development of the Beluga Coal Fields to help meet that demand, it is imperative that the Tyonek Community (Tyonek Native Corporation, The Native Village of Tyonek, Tribal Members and Shareholders) began significant and substantial planning and development initiatives that seek to maximize the benefits and minimize the potential environmental and economic challenges that will be created by the mine's pending construction and development. As such we offer the following information to help us, as the Tyonek Community, begin to prepare for several world changing events that may change how we look at our community forever.

What are 14(C) Lands ? When Congress passed ANCSA to convey land rights to Regional and Village Corporations, they also recognized that there was a need to resolve the claims of individuals and organizations who may have unresolved land-

claims within each community that may be surrounded by the lands conveyed to Village Corporations under ANCSA. 14(C) is a paragraph in ANCSA that requires Native corporations to convey certain lands back to occupants who were using the land before December 18, 1971. This is a provision that requires TNC and the potential claimant to negotiate a resolution of that claim that may or may not result in a conveyance to that claimant, depending on the facts of each individual claim. TNC and the Native Village of Tyonek (NVT) however, have some unique historical conditions that impact TNC's 14(C) obligations.

It is beyond dispute that NVT's history confirms that it is the oldest and premier 14C candidate with some unique conditions that make its claims superior to all others. These conditions are being defined and will be presented to shareholders in a future newsletter and Shareholder Advisory meetings. However, one of the most unique claims is that NVT is a federally recognized government and by that government's regulations and practice the village is a "Gated Community" or as defined by the American Heritage Dictionary a Gated Community is:

"A subdivision or neighborhood, often surrounded by a barrier, to which entry is restricted to residents and their guests."

The fact is that the village is a practicing Gated Community, through the Native Village of Tyonek which has protected the community and its households from loss of property rights through taxation by an outside taxing authority. If not for NVT, the village, as we know it, might have been a far different community than what it is today wherein many village residents might have lost their homes due to taxation, if not for this protection. Such homes and properties lost to taxation would have been sold at public auction to the general public and the community would cease to be a Gated Community as public right of ways would have been established into the village. Many Alaska villages that have gone through this process have ceased to be known as a Native Village.

One of the requirements of 14(C) is 14(C)3 which requires that TNC:

"convey to any Municipal Corporation in the Native village or to the State in trust for any Municipal Corporation established in the Native village in the future, title to the remaining surface estate of improved land on which the Native village is located and as much additional land as is necessary for the

(Continued on page 7, see Tyonek's Lands—Preparing for the Future)

Tyonek's Lands—Preparing for the Future

(Continued from page 6)

community expansion, and appropriate rights-of-way for public use, and other foreseeable needs..."

This provision of ANCSA improperly implemented would cause great harm to the "Gated Community" of the Native Village of Tyonek. The conveyance of lands for public rights of way and establishment of a Municipal Corporation within the boundaries of the Native Village of Tyonek would effectively destroy the definition of a Gated Community as:

"A subdivision or neighborhood, often surrounded by a barrier, to which entry is restricted to residents and their guests."

It is the goal of the Board of Directors of Tyonek Native Corporation to meet its obligations under 14C3 without disturbing the protections provided to the community by the Native Village of Tyonek. As such TNC and NVT are working together with the State of Alaska to develop a plan that meets our mutual goals and provides additional benefits to the State, Tyonek Native Corporation, the Native Village of Tyonek and TNC Shareholders, without harming the protections of a Gated Community. That plan will be presented in greater detail at our future Shareholder Advisory Meetings.

What are ANCSA Section 21(j) Shareholder Homesites?

ANCSA Section 21(j) Shareholder Homesites allows, but does not require, the TNC Board of Directors to make a "real property interest" (land) distribution to TNC Shareholders that is exempt from Federal, State and local taxes provided that certain criteria are strictly followed. Section 21(j) of ANCSA and the amendments of the Alaska National Interest Lands Conservation Act (ANILCA) provide that as long as TNC's stock is restricted the TNC may distribute land that:

- 1) is restricted by covenant for a period not less than ten years to single-family (including traditional extended family customs) residential occupancy; and

- 2) is restricted by such other covenants and retained interests as the Village Corporation (TNC) deems appropriate;
- 3) does not exceed one and one-half acres;
- 4) if the land is subdivided, it shall lose its Federal, State and local tax free status and the landowner shall be liable for back taxes, together with simple interest at six percent per year dating from the date the shareholder received the land.

As you can see it will take some time to develop a well planned and developed Shareholder Homesite program that most appropriately meets the needs of our Shareholders, and this can only be done with extensive dialogue and planning in Shareholder Advisory meetings. Developing a solid, well thought-out Shareholder Homesite program for shareholders is estimated to take not less than 18 months of planning meetings and development. When that portion is complete, TNC's Board will require a shareholder vote to approve the plan before is initiated. We hope to present that plan for voter approval by the shareholders at the annual meeting in 2008. Between now and then, we will provide shareholders with as much information as possible through several Shareholder Advisory meetings and newsletters so that your vote will be an informed one.

Please consider this information as the beginning of a comprehensive planning and development process in which you are a key player. The impacts of the world energy market are forcing the development of the Beluga Coal fields in ways that no one can predict. We do know that it will change our views of the Community of Tyonek forever. It is our task and duty to help our Community prepare for this change in a manner that best protects our community's interests and only we, as the stakeholders of that community, can best define those interests. We look forward to our future meetings with you as together we plan for the future of our children who will inherit the Community of Tyonek, the village of the 21st Century. ~



Above: Tyonek's CEO, Tom Harris, navigating his way through a very informative presentation at a January, 2007 Shareholder Information Meeting. We can look forward to more of these as Tom presents TNC's land issues to shareholders.

Harry Bartels, Sr.

On March 12, 2007, we lost respected Elder, Mr. Harry Bartels, Sr. age 84. Mr. Bartels served in the U.S. Marine Corps in the battles of Tarawa, Okinawa, Saipan, and Tinian. He received 2 Presidential Unit Citations and a Good Conduct Medal. Mr. Bartels was also a Golden Gloves state champion. Mr. Bartels is survived by 9 children, 15 grandchildren, and seven great grandchildren. We are grateful for Mr. Bartels' service to our country, and we extend our condolences to his family.

YOUNG ADULT ADVISORY MEMBER UPDATE

Outgoing YAAMs member Ann Marie Stephan Speaks About Accomplishments and Challenges for YAAMs



From Left: "YAAMers" Ann Marie Stephan, Steven Holly, and Elizabeth Standifer

Well folks, it is a new year so with that, the Young Adult Advisory Member's are taking on new roles. The YAAM's have decided it was time for more involvement and active

decision making, so now we are running our meetings just as the regular board members would, by the rules. We are going over the rules and regulations, the policies and procedures, and the Code of Conduct, so that we run our meetings appropriately.

The Young folks of TNC have expressed interest in a variety of training opportunities, to enhance their skills, should they become regular board members. We are looking at opportunities to get hands on training through seminars, workshops, and possibly attending business meetings with the management.

Of all the things that YAAMs want, one thing is most significant and inspiring. They want active involvement in, around, or with shareholders, to benefit shareholders, to educate shareholders. We are looking at involvement with NYO, AFN, etc. After all, active communication and involvement are the best tools for any success.

We are still in the process of developing a website for the young shareholders to log onto for things they may not feel comfortable asking in person, a place for advertisements, news about what is happening with the YAAM's, a place for announcements and so

on. We would gladly appreciate any suggestions from the young shareholders of TNC. A seat on the Young Adult Advisory Committee will be available in April, please contact TNC for an application 272-0707.

The Young Adult Advisory Members intend on meeting every other month. We have a lot of new changes to incorporate, and we are anxious to help our shareholders and community grow. We are seeking a new young shareholder to take the place of Ann Marie Stephan in April, so please, those interested, apply.

Being a part of the board has been a tremendous learning experience for me. I feel that I have benefited from this opportunity in more ways than one. I know how meetings are conducted; I know how the money involved works, I have been fortunate enough to see our companies in action. This chance to participate has inspired me to seek education that will enable me to be a part of my corporation. I only hope that the young people of our corporation will one day see the need for further education so that we can take our corporation where *we* want it to be, and that is ***number one***.

I want to thank everyone that helped me to get here, especially Uncle Don and Uncle Jaison and my mentors. I am grateful for all the knowledge, the opportunities, and even the paperwork. I hope to be in a position where I can help the Tebughna of Tyonek in the future. Thank you.

Ann Marie Stephan
Chair Person

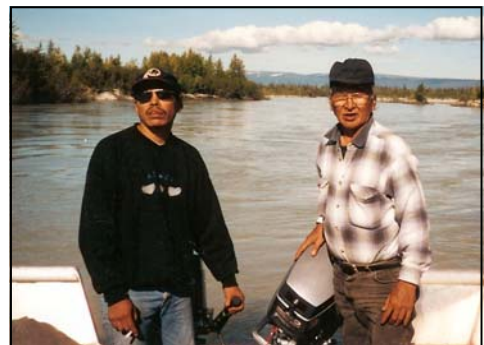
In Loving Memory—Patrick Chuitt, Sr.

Mr. Patrick Chuitt, Sr., passed away of natural causes on January 8, 2007, in Tyonek, at age 71. His family wrote "He lived all of his life in Alaska and was always an avid hunter and fisherman. He had so much love for his grandchildren. He will be missed dearly."

A quiet man, Mr. Chuitt will be fondly and gratefully remembered by his family for his stories of dog mushing in earlier days, his exceptional subsistence skills, which he used to provide for his family for many years, and for his enthusiasm for passing these time honored traditions to his sons.

Said his youngest daughter, Rose, "Dad, you gave me a lot of years of great memories and I will cherish them forever, and will pass them on to your grandchildren with hopefully the same wisdom you passed them on to me."

Mr. Chuitt is shown here, boating in summer, 2005, with his son, Roger Chuitt, who passed away in August, 2006. We extend our sincere condolences to the Chuitt family on their loss ~



MEET THE STAFF

From time to time we will introduce you to staff members who play an important role in making TNC and its subsidiaries function smoothly and efficiently for the benefit of the corporation and its shareholders.

Kevin S. Dixon

Director of Operations,
Tyonek Services Group, Inc.

Kevin Dixon works for the Tyonek Services Group in the Anchorage office. He is responsible for start-ups and operations in TSG's 8(a) subsidiaries. In this capacity he also acts as the contracts manager on subcontracts, vendor agreements and various specialized government contracts. Kevin has been with the company since January 2005 and has been integral in the development of our Aircraft Maintenance and Information Technology businesses. Among other duties, Kevin handles most of TSG's regulatory compliance requirements and is part of the proposal and contract transition team.

Kevin brings over 25 years of practical operations management and contract administration experience to the Tyonek team. He has previously owned and operated two of his own businesses for approximately ten of those years. Additionally, a large part of his contribution is the discipline and procedures learned on his way up the operations ladder during the many years he spent with such large businesses as Federal Express and Coca-Cola.

Kevin was born in Itazuke AFB, Japan on the small southern island of Fukuoka. His father is retired from the Air Force and lives with his mother near Jacksonville, FL, the site of TSG's largest current contract for Aircraft Maintenance. Kevin grew up in California, Panama, and Alaska. He graduated from Bartlett High School before moving back to California. Kevin is married and has one son. He is an avid fisherman and golfer. Kevin and his wife enjoy cooking together. Their son carries on the family tradition as Executive Sous Chef of the Veranda restaurant at the Rancho Bernardo Inn near San Diego, California.~



Alicia Casteel

HR Director,
Tyonek Native Corporation

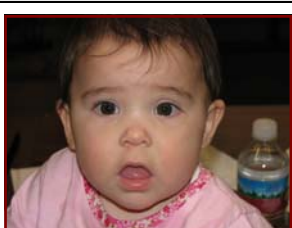
Alicia Casteel was recently promoted to HR Director for Tyonek Native Corporation after working for the company since October 2003. Alicia started at Tyonek as a cost analyst and HR Manager for TNC's first manufacturing company, Tyonek Fabrication Corporation. Ms. Casteel recently completed her Bachelors degree in Business at Athens State University and has worked in the human resources field for over 10 years.

Alicia was born in California and raised in Huntsville, Alabama. She loves animals (especially her beagle, Aubie, short for Auburn, one of the local football powerhouses), has a daughter and grandson, and married her high school sweetheart 22 years ago.

Ms. Casteel has worked in the government contracting community for many years and has received awards and letters of commendation from such organizations as AMCOM, NASA, TCE, SAIC, and Boeing.

Alicia is located in the Tyonek Manufacturing Group office in Madison. She will face many challenges as the Tyonek family of companies grows. Alicia recharges her batteries by traveling to new places, listening to blues and jazz music and spending time with family and friends.

We look forward to our time with Alicia. As she says, "I have swam with dolphins, watched Hawaiian sunsets, seen fireworks over the Statue of Liberty, stood solemnly at the Vietnam Memorial, put my toes in the sands of many beaches, walked across the Golden Gate Bridge, and I'm just getting started." ~



"Would you mind saying that just one more time please?"

Danielle Marie Keith was one of the youngest shareholders at a January, 2007 Shareholder Information Meeting.

TNC Shareholder **Jeff Hurlburt, Jr.** and his wife **Taneone** announce the birth of their fourth daughter, **Julia Makenzie Hurlburt.**

Julia was born on December 5, 2006, at Middlesex Memorial Hospital in Middletown, Connecticut. She weight 8 lbs. 8 oz., and was 22 inches long. Julia's older sisters are **Taylor, Olivia, and Madison.** Julia is the granddaughter of TNC shareholder **Julie Johnnie** of Tyonek, Alaska.



In Loving Memory--Harry Bartels, Sr.

On behalf of the children, grandchildren, great grandchildren, nieces, nephews, and friends throughout the State. We wish to extend our heartfelt thanks to all that contributed to the passing of our Patriarch and beloved relative, Harry. To specifically recognize that Tyonek lost our last WWII Veteran. To many, he was always ready with a joke or retort that brought smiles to all that knew him. Regardless of the courageous battle he fought with his heart, in the end it was with ease that he went to join his brothers, mom and dad, children and grandchildren. Leaving behind a legacy, not only of children but of his extended family that held him dear for the position he held of keeping us all together, which if asked, he'd deny, but we all knew better.

Many, many thanks goes to TNC, NVT, for their monetary, floral and other in kind donations, Lecon Chuitt and Harry T. Bartels for making the Spirit House and Cross and Rae Jean for painting it. To the gravediggers of Elia Valka, Randy Standifer, Wayne McCord, Robert Stephan, Sr., Harry T. Bartels, Steve Bismark. Rae Jean for preparations and Tyonek point of contact to Chrystal for cleaning up after we all left. Mike Spernak for keeping things headed in the right direction for us. The choir singers of Angela Sandstol, Harriet Kaufman, Johann Bartels and Debbie Standifer and lastly, to everyone who showed respect by welcoming him home on his last flight and/or who helped us keep vigil and to anyone else we may have inadvertently forgotten. Thank you. Bartels family.

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