



PAUG-VIK INC. LTD. (PVIL)
P.O. Box 61
Naknek, Alaska 99633
(907) 246-4278

ANNUAL PAUG-VIK SHAREHOLDERS MEETING
October 11, 2014

Shareholder registration by staff was done from 10:00 am until 1:00 pm.

Invocation was led by Richard Wilson and Potluck Lunch followed.

Early Bird Proxy prize drawings by Staff was done.

Calculation of Quorum *with* Accounting Firm and Staff was verified by Bikky Sheresta with DBO Audit Firm.

Call to Order and Welcome by President of Corporation Bill Hill was done at 2:35 pm after a quorum was reached.

- Proof of Notice of Meeting by Secretary of Corporation: Paula Monsen, Board Secretary showed proof of notice of the mail out of board packets.
- Verification of Quorum by Accounting Firm, BBO.

Presentation of List of Shareholders *by* Secretary Paula Monsen showed the List of Shareholders for the meeting.

- a) Roll Call of Board of Directors by President: Present were Chad Anderson, Richard Wilson, Sonny Groat, Paula Monsen, Paul Hansen, Clyde Clark and Bill Hill.
- b) Approval of Agenda was made by Shareholders Ruth Monsen who moved to approve agenda. Linda Halverson then seconded the motion and motion carried.
- c) Approval of Prior Year Minutes by Shareholders: Patty DeSoto moved to approve Prior year minutes of October 12, 2013. Motion carried.

Management Reports:

- a) The General Manager, Lucy Goode and President Bill Hill reported on the Sale of the Dock to Extreme Seafoods. BDO Auditor, Bikky Shrestha will speak more on this sale on how it effects the Pvil Audit of 2014 during his report.

The General Manager helped to complete the 14 c (3) Reconveyance to the Bristol Bay Borough (BBB) of 576.25 acres. We are now started in the process of transferring deeds of 14(c) 1 lands to shareholders and others who have applied for that on the lands they live on. Paug-Vik Inc. Ltd. also reconvened lands for airport purposes in Naknek pursuant to Section 14(c) (4) of ANCSA, Campgrounds were distributed to the BBB in exchange the BBB subdivide the tract and Pvil retained a 10.95 acre tract portion of tract 23 and Lot 1 A for economic development.

Pvil General Manager, Lucy Goode has worked with staff on updating commercial leases and rental agreements. We reviewed and spent a great deal of time with a company called Capstone to do a possible partnership regarding an Alternative Energy project but that did not materialized.

She has also been working on creating a new website for Pvil with Jon Stamberg and his company called Ambitechstrous. She has been looking at different companies for an online electronic voting system that we hope to have in place for next year's meeting. Pvil is considering a \$25 dollar incentive for voting to help make the quorum for the annual meeting. We have started the process for working on the shareholders trust dividend, and updating cabin site permits. Next year's schedule we plan to

update the Pvil policies, Bylaws, Articles of Incorporation for Paug-Vik Inc. Ltd. Corporation. We have had a busy season selling gravel and will have more to report at the end of the season.

- b) General Operations Manager of PDC, PVS & PVCS, Maurice Labrecque passed out a newsletter on the information about the projects. He shared that there has been no significant changes. Their Newsletter reported on what PDC and PVS has done this past year and their plans for the future. Page 25 of the financial report reported how well PDC has done. The two subsidiaries paid dividends this year to the parent corporation for the shareholders dividend fund of sixty six thousand each. Maurice explained the process of how they compete to bid on jobs and commented that with stability they can even start from scratch to fund new projects. They have continued to do environmental work which can be taxing. Many others are having trouble getting bonded however with the history of work done, PDC is not having any problems since they have a history as a stable corporation.
- c) Auditors' Financial Statement by Accounting Firm BDO, Bikky Sheresta reported that the balance sheet is a combination of all the companies and page 24 shows how all the companies are doing. It has been a good year for PVIL but we have had to pay income taxes for sale of the fish plant. PVIL continues to grow and strengthen as an ANSCA Village Corporation.

Report from Board Nominating Committee *by* Board Member: Eddie reported we have two incumbents who are staying on board.

Presentation by candidates for Board of Directors by Candidates:

- Guy Groat reported he has served as a Pvil Board of Director for 26 years and enjoys working with the various boards and would like the shareholder's continued vote.
- Bill Hill has been with PVIL now for four years and commented that he enjoys giving back to the community. The Pvil Board has done a lot of good things. He has been looking into a solar project to further Alternative Energy in the community and region. He also hopes in the future to see other young people run for the board.

Closure of Solicitation of Ballots by Secretary Paula moved to close solicitations and Chad seconded the ballot closure

Submission of Ballots by Shareholders to Accounting Firm:

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|------------------------------------|---------------|
| • <i>Guy (Sonny) Clinton Groat</i> | <i>14,403</i> |
| • <i>William (Bill) Frank Hill</i> | <i>10,670</i> |

The new board members are Guy Groat and Bill Hill.

President Hill announced a break time.

Door Prize Drawings for present Meeting Attendees were given out.

Old Business/New Business & Q & A Questions:

- President, Bill Hill shared with everyone that he appreciates how Maurice Labrecque, Operations Manager for PDC, PVS, PVCS runs the subsidiaries business. He commented that Pvil needs to continue to retain him because he does a good job.
- Vice-President, Eddie Clark reported that Mike Laufenberger has been helping manage PDC in our Naknek office. PVIL is paying off debt and being careful with its money. Eddie said Lucy Goode came on board and jumped in with both feet and is doing well.
- Shareholder, Verna Heath asked about her daughter's shares going to someone who shouldn't be able to vote since he's nonnative. She asked the Pvil Office staff to look into it.

- Shareholder, Rhonda Nashookpuk asked about the five acre parcels. She commented that we need to be able to keep our lands safe and restricted.
- Vice- President, Eddie Clark thanked Maurice Labrecque, Operational Manager for PDC PVC, and PVCS for a job well done.
- Shareholder, Michael Gottschalk asked about the PDC board. He was wondering about the process to get on the PDC board. He asked if PDC has an open slot and people just need to submit an application that the board will review to do selection. He was answered that the shareholder would also need to be able to pass a background check as deal with a lot of federal funding, etc.
- President, Bill Hill reported on gravel issues.
- Vice-President, Eddie Clark commented that Bill Hill did a good job representing Pvil at the BBB meetings.
- Board member Treasurer, Richard Wilson said that we need to stand up and be more vocal and give the shareholders more job opportunities.
- Board Member, Chad Anderson shared that we need more Pvil Shareholders to vote.
- Shareholder, Linda Halverson asked about the percentage of shareholders that's needed to hold a meeting because it needs to be lowered since it's harder to make a quorum.
- Shareholder, Allan Aspelund Sr. asked if we could lower it to 35% and fears if it gets down to 10%.
- Shareholder, Richard Johnson asked why we cannot send letter to all the shareholders and ask why and why not do you vote.
- Shareholder, Abe Williams said some people like to have an incentive to get a ballot in, currently we can't reduce the percentage but he thought the \$25 dollar gift would make people more inclined to vote.
- Shareholder, Rhonda Nashookpuk asked if Pvil opens proxies and then sends them to Bristol Bay Corporate Services (BBCS) who tallies the votes or does Pvil just forward to BBCS with a note date received.
- General Manager, Lucy Goode shared that she had talked with PVIL's attorney regarding the total of the votes. Pvil will need 2/3's vote by the Pvil Shareholders to lower the quorum. Discussion was made on the steps to do that process.
- A question was posed by a shareholder if Pvil can get votes from shareholders over the phone. The answer was yes because they had permission from the local shareholder who were coming in a little later that day to sign their ballot.
- Office Manager, Linda Halverson shared that she thought we need to honor our volunteers.
- Shareholder, Rhonda Nashookpuk suggested asking shareholders for updating the addresses of shareholders who Pvil no longer has current addresses for on the new website.

Cash Prize Drawings for all Shareholders were held and given out. Those who won a prize and not present would be mailed their checks.

Adjournment motion by Shareholders: Linda Halverson moved to adjourn and Ruth Monsen seconded the motion at 4:00 pm.

Paug-Vik Annual Meeting
October 11, 2014

ATTEST:

Paula Monsen, Secretary

Bill Hill, President