



THE MIDNIGHT SUN

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A MESSAGE FROM KIC PRESIDENT WILL ANDERSON

I'm sure most of you have heard the saying "There's no place like home." With so many KIC shareholders living in Kotzebue, the KIC Board of Directors has always made a special effort to invest in our home community. That is why KIC invested in commercial and residential real estate and other businesses in Kotzebue that serve to improve the quality of life and provide job opportunities for our shareholders and their descendants. There is an exciting new initiative happening in Kotzebue that I would like to share with you.



Will Anderson,
KIC President

KIC recently invested in a brand-new subsidiary called "Arctic Greens." The company was formed in March of 2016 after the KIC Board of Directors approved moving forward with the goal of growing leafy, green vegetables in Kotzebue. Arctic Greens is working to develop a plan to use self-contained hydroponic

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PAULA'S JOB IS TO TAKE CARE OF OUR SHAREHOLDERS

Paula Octuck-Viveiros, who was born and raised in Kotzebue, brings a strong background in human resources and administration to KIC's newly created position of shareholder relations manager.

"I have served the people of Kotzebue and the NANA Region in several administrative positions. This includes working for the Native Village of Kotzebue, NANA Management and, most recently, for Maniilaq Association, where I worked for human resources, the health center and the Office of the President," Paula said.



Paula Octuck-Viveiros

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MIDNIGHT SUN GLOBAL SERVICES WRAPS UP WORK WITH SHELL

Midnight Sun Global Services (MSGS) has received what is likely its final assignment for Shell Alaska, which is wrapping up its activities in Arctic Alaska.

Shell contractor Fairweather Science has engaged MSGS to provide two subsistence advisors as it retrieves the oil company's 20-ton anchor systems from Kotzebue Sound. Shell placed four primary mooring buoys in the

sound last year for mooring support vessels (supply and spill containment).

The MSGS advisors will maintain communications with the local community and Fairweather to assure zero impact on subsistence activities from June 15 to Sept.

15. Listen to KOTZ for informational announcements.



CONTINUED FROM COVER

A MESSAGE FROM KIC PRESIDENT WILL ANDERSON

"farms" in shipping containers to grow herbs and leafy, green vegetables year-round in communities where conventional farming is not possible.

The single growing unit currently operating in Kotzebue is part of a pilot project to verify the profitability projections for this type of business. This new KIC subsidiary has an exclusive relationship with Alaska Commercial Company to sell our locally grown produce initially in the AC Store in Kotzebue with the intention of expanding to AC Stores in other communities. This positions Arctic Greens to potentially become a significant supplier of produce in rural communities throughout Alaska and Northern Canada.

“...the KIC Board of Directors has always made a special effort to invest in our home community”

I hope those of you who live in Kotzebue have an opportunity to enjoy the taste of our locally grown Arctic Greens produce. Arctic Greens is a win-win venture for our shareholders and the community. Produce harvested thousands of miles

away can never be as fresh as produce grown and harvested locally. So this new venture gives those of us living in Kotzebue access to the freshest-possible produce. Shipping adds significant cost to everything purchased in the community, so we're also hopeful this venture will make produce less expensive, while still generating a reasonable profit for the company. You can read more about Arctic Greens on page 4.

Many of the stories in our past newsletters have focused on our effort to grow KIC's presence in the government-contracting sector. In an effort to improve profitability and bring greater benefits for shareholders, the KIC Board of Directors authorized management to execute a plan to increase the amount of work KIC is doing for the federal government. But the Board and management team are working hard on several fronts. Arctic Greens is just one example of a number of initiatives being pursued at a local level that will bring more visible benefits closer to home.

I hope you all have a safe and enjoyable summer. I look forward to seeing many of you at our KIC Annual Meeting planned for the middle of August.

Sincerely,
Will Anderson
President/CEO

KIC FACILITIES MANAGEMENT TO SIGN MAJOR CONTRACT AT FORT GORDON

KIC Facilities Management is in final negotiations with the U.S. Army to finalize details for the Fort Gordon Base Operations Maintenance and Support Services prime contract.

Through the negotiation and transition phase, we have on-base efforts by subcontracting to Akima Global Services and now have 26 full-time employees on site in various base-support positions.

The final prime contract should be signed early this month with a 60-day transition phase beginning Aug. 1, 2016. The full prime contract for KIC Facilities Management will commence Oct. 1, 2016.

Fort Gordon is an Army installation established in 1917 that is now home of the U.S. Army Signal Corps and Cyber Center of Excellence. The base is located next to Augusta, Georgia, to the southwest of the city. The main component of the post is the Advanced Individual Training for Signal Corps military occupational specialties. In 1966–68 the Army's Signal Officer Candidate School graduated over 2,200 signal officers. Signals intelligence has become more visible and comprises more and more of the fort's duties.

KIC Facilities Management is very excited to be getting this great opportunity on behalf of the shareholders!



KIC staff traveled to Fort Gordon recently to assist with onboarding of new staff.

CONTINUED FROM COVER

PAULA'S JOB IS TO TAKE CARE OF OUR SHAREHOLDERS

In her new position, Paula is responsible for the design, implementation and management of programs and activities that advance the well-being of KIC shareholders and their descendants.

"We are excited to welcome Paula to our team," said Will Anderson, KIC's president. "It will be her job to keep track of each of you and to make sure that your needs are being met."

Paula is the mother of five and stepmother to five more. Her parents are Mary Viveiros and the late Thomas Octuck.

"I am excited and eager to bring my experience to KIC to serve as the shareholder relations manager," she said.

Paula will work out of KIC's Kotzebue office.

GROWN IN KOTZEBUE



NEW KIC SUBSIDIARY BRINGS HYDROPONIC FARMING TO ARCTIC COMMUNITIES

Arctic Greens is an exciting new subsidiary company founded and wholly owned by KIC that will establish and operate highly scientific and self-contained hydroponic “farms” in communities where conventional farming is not possible.

The first crop will be ready for harvest and passed out free to the community for consumption on June 22. Subsequent harvests will be sold in the produce section of the local Alaska Commercial Company (ACC) store. Hydroponics allows a shorter growing cycle than Mother Nature requires – as short as six weeks – and is not restricted by seasons, so Arctic Greens intends to turn over many harvest cycles throughout the coming years, with the goal of keeping vegetable bins stocked.

Arctic Greens has secured an exclusive agreement with ACC to potentially sell produce in other communities. For now, most of the signatory

communities are located in northern Alaska, but Arctic Greens hopes to add more Alaska sites. Each AC Store would sell the produce grown in that community, so each community will need its own farm.

This potentially positions Arctic Greens to become a major rural supplier of produce throughout Alaska and Canada.

The possibilities are nearly limitless. Arctic Greens can connect multiple containers into a network to significantly expand growing capacity, thereby enabling each farm to meet customer demand in communities of virtually any size. The Arctic Greens concept of hydroponic farming is entirely self-contained, so not only does it greatly reduce growing cycles, but it eliminates bugs, pesticides and other hazards of natural growing. Arctic Greens produce qualifies as Alaska-grown or Canada-grown, depending on location.



The first farm has been transported to Kotzebue from Washington state, where the components designed by Anchorage company Vertical Harvest Hydroponics were assembled. It will be operated in Kotzebue by an Arctic Greens part-time employee.

The story of farm-to-table produce

Seed



We select hardy seeds from high-yield plants then germinate them by carefully controlling water, oxygen, temperature and light.



Grow



Seedlings are placed in a nutrient-rich water solution precisely balanced to enable them to perform accelerated photosynthesis.



Harvest



Our process results in smaller roots, which allows plants to divert more energy to growing faster and bigger. That means we harvest more plants from a smaller area.

This is a ground-breaking advancement in food supply for Arctic regions, and possibly far beyond. The Arctic Greens system could be utilized in arid desert regions, such as sub-Saharan Africa, or highly congested metropolitan areas, like New York City or London.

Arctic Greens is bringing affordable, fresh, healthy fruits and vegetables to places that have always had to ship it in at prices much higher than in road-connected cities. People who never thought it possible can now make dinner with healthy foods grown in their community. 🌱

WHY IS ARCTIC GREENS PRODUCE BETTER?

HIGHER QUALITY • LOWER PRICE • BETTER TASTING • LONGER LASTING • MORE SELECTION • GMO FREE
NO PESTICIDES • RICHER IN NUTRIENTS • YOU KNOW WHERE IT CAME FROM



YOU ARE INVITED!

ARCTIC GREENS' FIRST HARVEST WILL BE READY MID-JUNE, INCLUDING FRESH HERBS AND VEGGIES GROWN IN KOTZEBUE!

Please join us at the Kotzebue AC Store on Wednesday, June 22, to enjoy free samples of our first harvest 10 a.m. - 4 p.m. A free reusable grocery tote will be given with each sample.

Locally grown means there's no long transportation – it's always fresh and always in season!

FROM NUTRITIOUS TO DELICIOUS, HERE'S WHAT WE'RE GROWING NOW:

Whip up a homemade Caesar salad or cook up a batch of cabbage rolls for the whole family. The farm is coming to you.

Herbs bursting with flavor

Basil	Thyme	Rosemary	Mint
Cilantro	Chives	Dill	Parsley

Vegetables packed with goodness

Kale	Butter lettuce	Green cabbage
Red leaf lettuce	Spinach	Collard greens
Green leaf lettuce	Napa cabbage	Broccoli
Romaine lettuce	Red cabbage	Cauliflower



You can catch all the growing action live on the internet!

Watch tiny buds become huge plants. Log onto our webcam at www.arcticgreens.com for a look inside our Kotzebue farm 24/7.



Ship

Because our "farm" is located in your community, plants are not shipped long distances from other states or countries. We simply drive them across town.



AC Store

Your AC Store makes it easy to find locally grown produce. Look for the Arctic Greens section of the produce aisle.



Table

Farm-to-table means local, healthy and affordable food for your family. With Arctic Greens, you can make meals with veggies and herbs harvested just a few hours earlier.



MAINTENANCE WORK KEEPS KIC FACILITIES MANAGEMENT BUSY

KIC Facilities Management has a busy summer ahead as it completes renovations on some of its properties, adds energy-efficient LED lighting and replaces the stairs in most of its buildings.

Workers will upgrade some thermopile foundations and improve heating systems, including one that will use waste heat from Kotzebue Electric Association's wind turbines.

KIC Facilities Management owns and manages more than 100 housing units in Kotzebue, including homes and apartments, and manages several commercial office buildings in the community.



FIRST PLANTING



KIC's Board of Directors and CEO were on hand to help seed Arctic Greens' first crop of vegetables and herbs in our new containerized, hydroponic "farm." We're very excited to be bringing fresh, affordable produce to Kotzebue year-round.

INFORMAL SHAREHOLDER MEETING

KIC held an informal shareholder meeting on Monday, June 6, in the Kotzebue Middle High School gymnasium.

The meeting was scheduled to be held in the cafeteria, but changed venues due to ongoing work on the cafeteria's floor. Thank you to all who attended for your understanding.

Chairperson of the KIC Board of Directors Calvin Schaeffer opened the meeting with a call to order, which was followed by an invocation and introductions of current board members and KIC staff, then a drawing for the early-bird door prize of \$100.

The floor was opened to nominations for two Board seats up for election at the August annual meeting. Currently, the seats are held by Kathleen Sherman and Harold Lambert. Shareholders nominated the following:

Kathleen Sherman (Incumbent)
Harold Lambert (Incumbent)
Silvano "Pooky" Viveiros
Grant Hildreth
Erica Nelson
Joyce Phagan

Mr. Schaeffer then oversaw a question-and-comment period, which focused primarily on land-related issues, including what lands are owned by KIC, what a land owner needs to do to sell land with a restricted deed, and a discussion about permits and related costs for campsites at South Tent City.

Just before adjourning the meeting, the Board gave out an additional nine door prizes of \$50 each through a drawing.



Chairperson of the KIC Board of Directors Calvin Schaeffer opens the informal shareholder meeting June 6.



Left: Irene Stalker stands to make a nomination.



Right: Annie Howarth makes a comment during the meeting.



Harriett Snyder was one of the door-prize winners, here being helped by KIC Board member Claude Wilson Jr.

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BRANDING KETA SALMON IS GOOD BUSINESS

For millennia, the Inupiat people of northwest Alaska have relied on the chum salmon as an important source of protein. Now, in addition to being sold in Alaska, our chum is being exported halfway around the world – to Europe – and being marketed under a recognizable brand name – Wild Keta Salmon.

Abundant in numbers, adult keta salmon weigh 9 to 20 pounds, with an average weight of 7 to 12 pounds. Keta have the largest natural range of any Pacific salmon, and undergo the longest migrations of their species, ensuring they are lean and fit.

Marketing our keta in European stores with packaging that calls attention to its Alaska heritage sets it apart from other fish and alerts shoppers that it is not farmed salmon.

Kotzebue-region keta are of exceptionally high quality because they are caught before entering fresh water. They have a bright color, firm flesh and higher Omega-3 oil content than other Pacific keta. In fact, Kotzebue's keta are the only chum salmon sold as fillets in Alaska.

"We have strong international and domestic demand for keta from our key customers," Cassandra Squibb,

chief business development officer for Copper River Seafoods, told the Arctic Sounder last year.

"Our goal is to partner with the community of Kotzebue and collaborate with fishermen to maximize the value of the keta harvested in the region, similar to how we operate in other areas of the state, such as Cordova, Kenai, Togiak and Dutch Harbor," Squibb said.

Aided by forward-looking planning and smart branding, Kotzebue's keta will help fill the world's hunger for wild, natural Alaska salmon – and appear on dinner tables throughout Europe.

