

HUNA TOTEM HEADLINES



HUNA TOTEM CORPORATION • SEPTEMBER 2016

A Great Change of Pace for Icy Strait Point During 2016



During the winter of 2015, Icy Strait Point as we previously knew it was turned completely around, literally! With the opening of the new Dock, Adventure Center, Drop Zone ZipRider arrival building, and Duck Point Smokehouse Restaurant, our operations drastically changed. Many improvements were made and the question we hear over and over again is, "How are things working?" Icy Strait Point has seen a 20% increase in the number of guests coming ashore and is positively affecting the port and Hoonah in sales.

The new Adventure Center building has been well received by guests and cruise line partners. Having a warm, dry, and comfortable place to meet tours is unique in the cruise industry where many other ports around the world meet tours on sidewalks, in parking lots, pouring rain or blazing sun, etc. Keeping our waterfront pristine and unencumbered vehicles, vehicle noise, and exhaust was a huge priority. We moved to a back of house approach by moving the infamous "parking lot with the million dollar view" away from the waterfront and hiding it behind the Heritage Center. In the past we would walk our guests into a parking lot to load our tours and now we are

able to load tours dispatch style by having a single bus pull up to load guests keeping the natural feel of the site as the focus of the experience. Cruise ship guests leaving on independent tours now have the convenience of meeting their operator at Icy Strait Point in an exclusive area. This new and improved excursions hub offers complete separation of vehicles and pedestrians making the tour loading system safe and convenient for the guests and operators alike. The project increased the amount of parking at Icy Strait Point increasing the number of visitor spaces available for the community. Locals have really taken to the Duck Point Smokehouse and often outnumber visitors on Tuesday evenings. Thanks to everyone for visiting, keep your eyes open for more improvements to come.

2016 Jeet's Challenge and August Neighbors Day

On Saturday, August 27th, 2016, 49 runners and hikers competed in the 2nd annual Jeet's Challenge race from Icy Strait Point to the top of Hoonah Mountain. Icy Strait Point's own Alejandro Palacios (Alex) won the race for the men with a time of 1:08:30 over the 8.3 mile course that ascends 1,550 ft in elevation. The 74 degree weather and direct sunlight made the course even more challenging. Huna Totem Corporation shareholder descendant Tori Fogg placed first among women with a time of 1:18:55 and received her first place plaque from her grandfather Johan Dybdahl at the award ceremony.

A few brave locals took the hard way up the mountain by hiking straight up. Huna Totem Shareholder Johan Hinchman was the fastest to hike arriving at the top at 53:30. Huna Totem Shareholder and Icy Strait Point's own George Dalton Jr. won the most inspirational award by showing determination and willpower completing the race on the 8.3 mile course at the age of 71 years old! Neighbors Day was well received with over 180 guests coming from Juneau on 2 Catamarans and one boat with 9 arriving from Tenakee making for an exciting day. The warm weather and a large turn out from Hoonah made it even more special. Duck Point Smokehouse Restaurant was packed all afternoon while Tenakee's "Fender Benders" rocked the courtyard outside. Thank you

to everyone that supported Icy Strait Point by joining us on our Neighbors Day this year. Jeet's Challenge top 10 finishers by division. Hike: 1. Johan Hinchman (53:30), 2. Albert Hinchman (1:14:25), 3. James Buchkoski (1:43:45), 4. Mark Buchkoski (2:47:54). Women: Tori Fogg (1:18:55), 2. April Resends (1:19:00) 3. Tiffany Wadel (1:24:22), 4. Megan Jenkins (1:26:11), 5. Megan Costello (1:28:48), 6. Lena Lee (1:29:30), 7. Mindy Kissner (1:34:44), 8. Tabitha Williams (1:35:33), 9. Denise Wilts (1:35:56), 10. Kris Lanyi (1:36:12) Men: Alex Palacios (1:08:30), 2. Alexander Kwa (1:09:44) 3. Randy Peterson (1:10:40), 4. Bryce Tyler (1:12:21), 5 Jeff Hoagland (1:13:26), 6. Caleb Gardner (1:15:09), 7. Morris Linett (1:16:55) 8. Lawrence Howland (1:17:24) 9. Casey Collins (1:18:53) 10. Kevin Enloe (1:25:38)



Jeet's Challenge Runners in front of the Tribal Dance and Cultural Legends Theater.

Going in for the Big Set



Larry Gaffaney,
Huna Totem Corporation
Chief Executive Officer and President

In June of 2012, one year ahead of HTC's 40th anniversary, we embarked on the most comprehensive strategic planning effort in HTC's history. Eight months later, after discussions that involved shareholders, staff, management and the Board, the HTC Vision was adopted.

One component of the HTC Vision is Our Financial Goal of \$50 million in revenues and \$10 million in cash flow by 2020. At the time this was developed, HTC's most recent results were \$10.5 million in revenues and \$1.5 million in cash flow. This goal is what is referred to by James Collins & Jerry Porras in their 1994 bestselling book *Built to Last:*

Successful Habits of Visionary Companies as a Big Hairy Audacious Goal or BHAG. According to the authors, a BHAG is an "audacious 10-to-30-year goal to progress towards an envisioned future." "A true BHAG is clear and compelling, serves as unifying focal point of effort, and acts as a clear catalyst for team spirit. It has a clear finish line, so the organization can know when it has achieved the goal; people like to shoot for finish lines."

A BHAG must be a stretch into the unknown; not a goal for which a clear, easy path exists.

\$50 million in revenues and \$10 million in cash flow by 2020 — Imagine for a moment, what Huna Totem Corporation could do for its shareholders & the *Xúna Kaawu*:

- a 25% dividend would be \$2.5 million or \$28.53 per share;
- HTC's contribution to HHF would be \$500,000, which could be further leveraged into a total of \$2 - \$5 million for its educational and cultural programs;

- HTC would have sufficient cash flow to maintain, reinvest and grow our existing businesses, while further expanding our internship and staff training programs; and
- HTC would be the most profitable Village Corporation.

Profitability is not an end unto itself for Huna Totem Corporation; sustainable profitability is rather the means by which we are able to pursue our Mission to advance the economic aspirations and culture of the *Xúna Kaawu* through business excellence, sustainable economic growth, leadership, and education, while adhering to our Guiding Principles.

\$50 million in revenue and \$10 million in cash flow; we're not there yet but 2016 saw our corporation take large strides toward this BHAG including:

- Completion of the cruise ship dock & Phase I ISP expansion;
- Explosive ramp up of production and retail sales of two Dear North products (six SKUs) on target for availability in 700 retail doors by year end;
- Cooperative Agreement executed between Alaska Native Voices, the National Park Service and Hoonah Indian Association for collaboration on Glacier Bay cultural programs;
- 6th consecutive year of HTC Internship program, and the largest staff training & development budget in HTC's history.

No we're not there yet, but together we're well on our way to achieving our BHAG.

Gunalchéesh
Xaas' kaana' aat

Larry Gaffaney

Shareholder Settlement Trust Pays August Distribution

The Huna Totem Corporation Shareholder Settlement Trust Board of Trustees met on August 4, 2016 and in accordance with the Trust's distribution policy, declared the first 2016 dividend distribution amount of \$28,032 to shareholders or **\$0.32/unit**, with a record date of August 4, 2016.

Unfortunately the unrest in Europe generated poor market performance during the first half of the year; however the Trust was able to make a dividend payment. The provisions of the Trust provide for a 60% annual dividend payment to shareholders. The reinvestment of 40% Trust earnings is an invaluable part of the Trust's continued growth and sustained dividend payments despite market fluctuations.

Checks were mailed and direct deposit accounts credited on **Monday, August 15, 2016**.

Dear North Continues to Grow

Huna Totem Corporation's newest company, Dear North, continues to grow. Consumers continue to love the product and our consumer ratings are some of the highest in the industry and retail sales continue to climb with distribution up to 400 doors in early September, up from 30 in July. The DN team is focused on scaling up production to meet the demand in the important holiday months of October through December.

What can you expect to see in the future? Continued marketing outreach to create brand awareness and trial of our products, expansion to more retail accounts and doors, continuous production to support our growth, and a new product pipeline that keeps consumers coming back again and again.

Having a Testamentary Disposition on File is Important

A part of my job at Huna Totem Corporation as the Shareholder Relations Manager, is settling deceased Shareholder estates. I can't emphasize enough the importance of Shareholders having a valid testamentary disposition on file. A testamentary disposition is a form that is available to Shareholders to legally declare who their shares will go to when they pass. This process is much different than inter-vivos gifting when a Shareholder is still living. A testamentary disposition is a "Last Will and Testament" for your HTC shares and you are able to leave your shares with any member of your family including your spouse, unlike inter-vivos gifting.

When a Shareholder passes on and they do not have a testamentary on file with Huna Totem Corporation, their estate has to be settled through Alaska Intestate Succession statutes and often takes years to track down people, and shares may not go to the beneficiaries Shareholders would choose. The process can become complicated for your family and the corporation, so all Shareholders are encouraged to have a testamentary disposition on file. For example, if a Shareholder without a testamentary disposition on file was in the process of getting a divorce when they passed but it wasn't finalized; their spouse is legally entitled to their HTC shares. We know it isn't easy talking about death

however it protects your shares by allowing YOU to determine who inherits them if something were to happen to you. Huna Totem will also accept a Shareholder's Last Will and Testament if it specifically states who will receive his/her Huna Totem Corporation shares, but needs to be reviewed by Shareholder Relations during the process of estate settlement.

The testamentary disposition is a one page form and is available to Shareholders to be printed online click on the "Shareholder Relations" tab on our website, then click "Forms", or call 907-789-8500 to have one mailed to you. Shareholder Relations can answer questions or assist you in filling out the document correctly. The form must be completely filled out, notarized, and returned to Shareholder Relations at Huna Totem to be considered valid. Notary services are offered free of charge at Huna Totem and select banks, just remember to bring your State identification with you. A representative at the U.S. Post Office can also witness your signature. You can update your testamentary at any time. Only the most recent dated testamentary disposition will be considered valid.

Katelyn Savland,
Shareholder Relations Manager

Exploring Opportunities for Alaska Natives at a Time of Cultural Revival

In the midst of our day-to-day routines, it is often easy to focus our priorities and attention to the immediate needs of our lives, families, and our day-to-day routines. From time to time, we enjoy the precious "Ah-ha" moments when we are reminded of the blessings we have and the opportunities that lie on the horizon. Many people think that new experiences, new places to travel, are off the normal path that we are used to.

We all know very well, the presence of visitors to Alaska. Visitors are coming by cruise ship in growing numbers; coming to seek out new landscapes, and new experiences. For those of us who have the opportunity to interact with visitors on any level, there is a fringe benefit that many don't consider: The opportunity to experience your own home, culture, and traditions through someone else's eyes! For those who work closely with visitors, we are frequently reminded of the things that we have, and the opportunities that await.

Many of the Cultural Heritage Guides with Alaska Native Voices, travel far and wide aboard ships both large and small. These guides, frequently reflect on the surprise and delight of visitors over what we feel may be just another day or routine part of life. The joy that people

express when they learn about the resurgence of Native languages, the traditions that were once nearly lost now being revived by people of all ages, and the connection to land is truly something to behold. Many visitors are envious of a cultural connection that their family may have lost for generations. Many will never know the feeling of community that is shared in Alaska.

The recent dedication of the *Xunaa Shuká Hít* Tribal House in Glacier Bay has brought many opportunities that remain on the horizon. People gathered from far and wide to participate and witness this historic event and tears of joy were shed by everyone in attendance (including visitors) as yet another opportunity that became a reality. As we celebrate this milestone for the Huna Tlingit, keep an eye out for the expressions, responses and appreciation that visitors have of our homeland. What they see is new to their eyes, they may see opportunities for cultural preservation and growth, the appreciation of community and embracing of traditional ways, they see a proud, strong and resilient people, learning, growing, and proudly representing their people and home and embracing new opportunities every day.

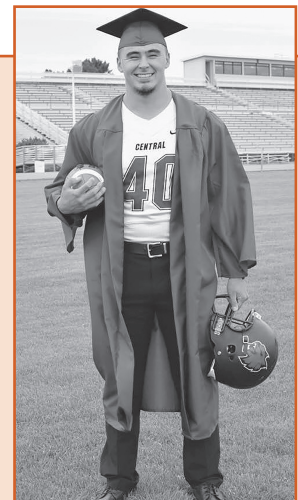
Huna Heritage Foundation Student Spotlight

Student: Mitchell Haldane Clan: Wooshkeetaan
College: Central Washington University
Degree: Bachelors of science in Environmental Science (Biology specialization)
Currently pursuing a masters in Environmental Resource Management

"With the help of Huna Heritage Foundation I was able to further my education and gain valuable experience and knowledge which I will be able to apply in my future career."

Other information

- Played 4 years of football at CWU (Outside linebacker)
- Graduated in spring of 2016 with my bachelor's degree
- Currently pursuing a master's degree while being a graduate assistant coach for the CWU football team.





HUNA TOTEM CORPORATION

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Help us find these folks:

The following people do not have current information on file with Huna Totem or have incomplete files. If you are on this list, please contact Katelyn Savland, Shareholder Relations Manager at (907)789-8500. If you recognize someone on this list, please have them contact us. Shareholder Records can ONLY be updated by the shareholder or legal custodian.

Charles O. Bennett	Rachel Jennings	Kenneth C. Schoonover
Robert D. Brown	Randall D. Johnson	Brett J. Shanahan
Helanie R. Case	Jolene F. King	Martin L. Sheakley
Caleb M. Cave	Melissa M. Lamebull	Laura E. Sheldon
Martha L. Channell	Adam J. Lee	Veronica A. Shortcakes
Helen L. Clements	Frank W. Lee	Jacob St Clair
Mark C. Cook	David A. Lindoff	Raymond M. Webster
Thomas G. Dalton Sr.	Wade P. Martin	Joycelyn M. White
George A. Fisher	John N. Marvin Jr.	Celeste D. Willard
Cassandra M. Gillis	Arnold S. McLean	Franklin Williams Sr.
Robert H. Gray Jr.	David S. Mercer	Leroy W. Williams
Albert Hanson Jr.	Timothy D. Morgan	Zack G. Williams
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Laura C. R. James	James W. Romantic III	



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