

2026



ANNUAL REPORT

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DENOTO HOLDING CORPORATION

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Annual Report of Denoto Holding Corporation - 2026

BACKGROUND ON DENOTO:

Denoto Holding Corporation is a tribally-owned entity that was established to be the economic development arm of the Hoopa Valley Tribe. Named after one of the most sacred of trails to the Hupa people, Denoto is a step forward in connecting economic development with Hupa cultural values and the well-being of the community. The vision is to maintain a path that achieves business excellence, supports the Hupa people's deeply held values, and uplifts the entire tribal community.

Denoto is wholly owned by the Hoopa Valley Tribe and is a federally chartered corporation under Section 17 of the Indian Reorganization Act - a business structure known as a "Section 17 corporation," which is only available to federally recognized Tribes. This structure was chosen by the Tribal Council because of several benefits afforded to these corporations under federal law. For example, Denoto will hold the same tax-exempt status and sovereign immunity as the Tribe while also being able to separate the corporation's assets from the Tribe's assets for liability purposes. This is a corporate model that many other Tribes have found to be successful because, as documented by the Harvard Project on American Indian Economic Development, it facilitates a level of separation between a Tribe's business activities and its political/governmental operations. Furthermore, the creation of Denoto is consistent with the goals and strategies articulated in the prior CEDS, which included diversification of the Hoopa Valley economy, providing a business climate that nurtures entrepreneurship and business growth, advancing for-profit tribal enterprises focused on generating revenue and employment opportunities, and better insulating tribal business from tribal government.

Improved separation of tribal business from tribal government is key because the Tribal Council's time is fully consumed by creating tribal policies, overseeing dozens of tribal departments, handling budget issues, negotiating with state and federal agencies, improving our social services for tribal members, dealing with natural disasters, responding to constituents, and all the other things local governments handle on a daily basis. The creation of

Denoto represents an effort by the Tribe to delegate more economic development work to a separate Board and staff that can provide more immediate and consistent attention that is needed to maintain and grow profitable businesses.

Denoto is still in the early stages of development. Its charter of incorporation has been approved by the Bureau of Indian Affairs and ratified by the Tribal Council. In September 2023, the Tribal Council appointed Denoto's initial Board of Directors, which is a 5-member volunteer Board, a majority of whom are enrolled members of the Hoopa Valley Tribe. The Board is responsible for supervising the CEO and other future staff that will be running the day-to-day business affairs of the Corporation.

Currently, Denoto has one staff member, its CEO Joel Schultz. Joel leads Denoto's economic development efforts and meets weekly with the Denoto Board of Directors. Joel also visits the reservation at least once a month to meet with tribal enterprise leaders and to meet with the Tribal Council to assist in the management of these enterprises which are currently all still overseen by Tribal Council.

YEAR IN REVIEW:

1. SBA 8(a) Program

Denoto has been seeking development of federal contracting capabilities through participation in the U.S. Small Business Administration's Section 8(a) program. To participate in the 8(a) program, entities must apply to the SBA and be verified as a tribally-owned small business eligible for the program. During much of 2024 and early 2025, the SBA 8(a) application portal was offline due to website reconstruction. Shortly after the portal reopened, we filed our 8(a) application in the September of 2025. Unfortunately, the 8(a) program has been largely put on pause by the current administration in Washington, D.C. While the 8(a) program certainly has not been eliminated, all new applications to the 8(a) program are on hold as the federal government performs various audits of the existing program participants. The hope is to be certified within the year, but with the current actions of the federal government in combination with significant budget cuts at the SBA, the date of receiving this certification is still unknown. As we wait for our application to be processed, we are exploring other opportunities and providing assistance to multiple on reservation tribal entities including HFI, Tsemeta Forest Nursery, Aggregate & Ready-Mix, and the Hoopa Grocery Store, as discussed in more detail below.

Additionally, Denoto is actively participating in efforts with the National Center for American Indian Economic Development (NCAIED) in support of the Small Business Administration's 8(a)

program and advocacy work around ensuring that the current administration in Washington, D.C. takes into account the importance of this program for Tribes in developing financial independence.

2. Operational Improvements at the Hoopa Grocery Store

When Denoto was presented with the challenge of improving upon existing processes and systems focused on inventory controls and product stocking, Denoto reached out within its business network and quickly identified a proven entity to assist. Denoto arranged for a presentation to the Tribal Council by Allied Universal, one of the top companies in the nation providing consulting support in the retail space. This interaction led to Allied Universal conducting an onsite review and written assessment. Currently, Denoto is working with the Tribal Council and Allied Universal to put a contract in place providing the necessary technical support for Hoopa Grocery to realize the full potential of its current system and improve efficiencies and profit via inventory control/management.

3. Assisting with Transition at Aggregate & Ready-Mix

Denoto, per the Tribal Council request, has engaged with helping Aggregate transition through a leadership change and affect procedural changes to better measure progress. Aggregate can now produce financials on demand, has implemented pricing changes to better align with market rates, cleaned up fire damage, executed an interim leadership plan, and will assist integrating the new manager and continue improvements.

4. Tsemeta's Partnership with JonSteen Company

Tsemeta had a long-term contract in place with JonSteen Company to provide capacity support, including onsite staffing, to assist with the process of growing a variety of seedling trees. An internal reorganization of the JonSteen Company led to the need to form a relationship with a new company. Denoto, in collaboration with Tsemeta leadership, has been facilitating the creation of a new partnership and the development of a new contract with SEGI, a company led by one of the past JonSteen partners, Steen Christensen. The volume of grow had shrunk over time at Tsemeta, so Denoto worked with Steen to develop a proposal to bring Tsemeta back up to an annual target of 600,000 seedlings annually. Tsemeta's success in securing USDA Grant funding imposes some limitations on the nature of the business relationship with SEGI, but the plan to grow and sell 600,000 seedlings is in full swing.

5. Implementing a New Finance & Accounting System for the Tribal Enterprises

Last year the Tribal Council issued an RFP seeking support in implementing a new, enterprise-grade finance and accounting system for the tribal enterprises. This type of system is known as an Enterprise Resource Planning (ERP) system. On March 9, 2026, the Tribal Council approved

Denoto's bid for this business service support and ERP implementation for the tribal enterprises, which will begin with three enterprises: HFI, Tsemeta, and Aggregate & Ready-Mix. This is a major project for the Tribe and Denoto. The initial focus will be on developing processes for consistent and accurate financial reporting. This will involve Denoto applying the knowledge of the current tribal enterprises it has gained over the past year to implement a new ERP system for financial tracking and reporting. Once implemented, the system will serve as a robust platform for building out additional functionalities, to include customer and vendor relationship management, human resources, operational support, and so on.

Denoto's proposal was unique, based on its knowledge of individual characteristics of each enterprise. Denoto will hire a local staff member to assist current staff with the ERP implementation and address any obstacles with hands-on support.

6. Joint Venture with ReMo Homes

ReMo Homes is a company based in California that manufactures modular housing that is fire-resistant, high-efficiency, and can be rapidly deployed. Denoto has partnered with ReMo with the intent of working together in the 8(a) space and pursuing other government contracting opportunities as the demand for environmentally sustainable, climate-resilient housing increases. In addition, ReMo will be placing a demonstration home on the Hoopa Valley Reservation and collaborating on grant opportunities.

7. New Tribal LLC Ordinance

Denoto has prepared a draft Ordinance, with the assistance of outside legal counsel, that would provide a mechanism for the creation of limited liability companies (LLCs) under Hoopa tribal law. Under this Ordinance, individual tribal members as well as tribal entities like Denoto would all be able to create LLCs. The Ordinance is drafted to be administered by the Hoopa Department of Commerce like the other titles of the tribal business code. LLCs are a bit more agile and less cumbersome than traditional corporations. And creating the LLC under tribal law, rather than state law, provides some additional insulation from state regulations, especially for on-reservation businesses. This Ordinance is awaiting LPA approval.

RELATIONSHIP TO EXISTING TRIBAL ENTERPRISES:

Denoto does not own or control any of the existing tribal enterprises (e.g., HFI, Tsemeta Forest Nursery, Tsewenaldin Inn, Hoopa Gas & Mini Mart, Hoopa Aggregate & Ready-Mix, Hoopa Shopping Center, or the Lucky Bear Casino). Employees of the tribal enterprises are not employees of Denoto and the Denoto Board does not have any hiring or firing authority over any tribal employees. Instead, the Denoto Board and CEO are available to provide advisory

support to the Tribal Council on economic development and business issues as requested by the Tribal Council and is undertaking the efforts described above to contribute to several tribal enterprises.

The Denoto Board is open to the possibility of working with the Tribal Council to develop a plan to formally bring one or more of the existing tribal enterprises under the umbrella of Denoto. However, Denoto currently does not have the resources, budget, or staffing to directly manage the enterprises on a full-time basis. If the Tribal Council decides to move in that direction, the Denoto Board will work with the Tribal Council to develop a responsible plan and provide opportunity for input from the tribal community.

MEET THE CEO:

Joel Schultz has been serving as Denoto’s CEO since March 2025. He is a member of the Sault Saint Marie Tribe of Chippewa Indians of Northern Michigan. Prior to his current effort as CEO of Da UP LLC, which provides consulting in Executive Management to clients such as Denoto Holding Corp, Joel Schultz was the CEO of Sault Tribe Inc., the Section 17 corporation of the Sault Tribe of Chippewa Indians, for 2.5 years. He also served as the Executive Director of Economic Development for the Sault Tribe of Chippewa Indians for 5 years. In that time, he led non-gaming enterprise development and created/oversighted nearly \$40 million of revenue for tribally-owned enterprises.

Earlier Joel served as the COO of the UPWARD Talent Council, an inter-local government entity that delivered community, economic and workforce development services to the entire Upper Peninsula of Michigan. Joel’s focus was on strategic alignments and collaborative delivery models with the numerous delivery agencies, such as Michigan Works!, Michigan Small Business Development Center, Central Upper Peninsula Planning and Development, Upper Peninsula Economic Development Alliance, the Procurement Technical Assistance Center, Upper Peninsula Collaborative Development Council, and numerous other efforts. Grant management for WIOA, EDA, USDA, SBA, MEDC, and DOD were routinely administered.

MEET THE BOARD:

In September of 2023, the Tribal Council appointed Denoto’s initial Board of Directors. It is a 5-member Board, all of whom are serving as uncompensated, volunteer Board Members. The Board’s Executive Committee, composed of the Denoto Chairman, Vice-Chair, and Secretary/Treasurer, meets weekly with the CEO. The entire Board meets monthly on the

second Wednesday of every month. Below is a brief introduction to each of the five current Board Members:

Daren Masten: The Chairman of the Denoto Board is Daren Masten. Daren is a Hoopa tribal member who grew up right here in Hoopa and graduated from Hoopa High. He has over 30 years of industry experience. Daren is the Founder and CEO of Clear Cloud Solutions. Clear Cloud designs and installs security systems for protecting the critical assets of governments, utilities, and private businesses. Daren has relocated back to Hoopa and has already established a satellite office for Clear Cloud in Hoopa. Clear Cloud is certified as a Section 8(a) business and has obtained several million dollars in federal contracts through the Section 8(a) program. Prior to starting Clear Cloud, Darren was Director of Operations of the Pacific Central Region of The Home Depot, managing over \$3 billion in revenue. Daren also works closely with the National Center on American Indian Enterprise Development to provide training and mentoring for Native businesses and entrepreneurs around the country.

Michelle McCovey-Good: The Vice-Chairperson of the Denoto Board is Michelle McCovey-Good. Michelle is a Hoopa tribal member, she was born and raised in Hoopa, and is another proud graduate of Hoopa High. She went on to obtain a Bachelor of Science in Architectural Engineering from Cal Poly-San Luis Obispo. She is now the Chief Executive Officer of T&S Structural, a structural engineering firm with over 50 employees. Her firm has successfully completed thousands of residential, commercial, and civic projects across the US. Early in her career, Michelle was an intern with the design team at the Smithsonian Institute for the National Museum of the American Indian. She has also been involved with national groups such as the United States Green Building Council, American Indian Science and Engineering Society, the American Indian Council of Architects and Engineers, and the Structural Engineering Association of California. Most recently, Michelle has started her own, 100% Native American Woman-Owned structural engineering firm, called Ni'-Whōn Consulting, which focuses on development projects on State, Federal, Local and Tribal Government Lands.

Steve Kalogeras: The Secretary/Treasurer of the Denoto Board is Steve Kalogeras. He has been a practicing attorney for nearly 20 years. Steve served as the Hoopa Valley Tribe's Tribal Attorney and managed the Hoopa Office of Tribal Attorney from August 2021 through January 2023. As Tribal Attorney, Steve provided legal support to the Tribal Council and the Tribe's various departments and entities. Steve now works at Maier Pfeiffer Kim Geary & Cohen LLP, a law firm that specializes in representing California Tribes in economic development and tribal governance projects. Prior to working with Tribes, Steve worked as a litigator for major technology companies. He earned a BA from Stanford University, a JD from NYU Law, and also obtained a Masters in Indigenous Peoples Law from the University of Oklahoma.

Loren Norton: Loren has worked with our Hoopa community for over 50 years and has served the Tribe in several capacities. He is currently the Project Manager for the Hoopa Valley Housing Authority and is dedicating himself to the completion of the Tribe’s Elder Village. Before working at the Housing Authority, Loren was the Director of Hoopa’s Roads, Aggregate & Ready-Mix Tribal enterprise. He also previously served as the CEO of Hoopa Modular. Loren brings decades of construction experience to the Denoto Board. Among his many credentials, Loren is a Licensed General Engineering Contractor, a Licensed General Building Contractor, and a certified Building Inspector.

Amanda Colegrove: Amanda was born in Hoopa and raised in Humboldt County. After graduating from Hoopa High, Amanda attended Princeton University in New Jersey, graduating with a Bachelor of Arts in 2000. Amanda returned to the West Coast several years ago and is now based in Arcata, where she lives with her three children and works for United Indian Health Services as a Health Promotion & Education Manager. Amanda has significant experience in Accounting and Grants Management and is passionate about economic development that builds the internal structure and enterprising capacity of Hoopa Valley Tribal Members and our local community.

FINANCES:

In February of 2023, Tribal Council approved a \$500k grant from TNGF Capacity Building Fund. The title of the grant project was “Denoto Holding Corporation Startup Funds.” The table below provides a reporting of the expenses that have been incurred and the funds remaining as of March 2026.

TOTAL FUNDING	\$500,000
TOTAL EXPENSES FROM APRIL 2025-MARCH 2026	-\$199,400
<i>Expense Categories</i>	
▪ CEO Compensation & Travel Reimbursements	-\$186,894
▪ Professional Fees (consulting for 8(a) application)	-\$3,000
▪ Marketing & Outreach (RES, Sovereign's Day, website)	-\$6,030
▪ Business Fees (incorporation fees, bank fees & job postings)	-\$3,475
PRIOR YEARS’ TOTAL EXPENSES (founding thru March 2025)	-\$206,179
FUNDS REMAINING (with accumulated interest)	\$99,850

GOALS:

The goals for the upcoming year include:

- Obtaining 8(a) certification. Our application has been in place with the SBA, waiting for approval since September of 2025. We will continue to pursue 8(a) certification to be well-positioned when opportunities in federal contracting expand.
- Hire an individual with significant accounting experience to serve as a boots-on-the-ground staff member to assist with implementation of the new business-oriented ERP system at select tribal enterprises. The goal of this effort is to ensure consistent, accurate, and transparent financial reporting on entity performance, which will help guide decisions and the Tribe's investments in these businesses, with the hope of expanding our service offerings throughout our region.
- Obtain regional certifications and pursue opportunities for existing enterprises to expand our client base for selling tree seedlings and aggregate, and providing forest management services.
- Finalize implementation of the business and technological infrastructure necessary to service government projects and begin generating revenue.

Thank you for reading Denoto's 2026 Annual Report. It is an honor to serve the Hoopa Valley Tribe and the Hupa people.

Sincerely,

Board of Directors
Denoto Holding Corporation