

INFORMATION ON GIFT OF STOCK

It is now possible for a shareholder to make a gift of Alaska Native Claims Settlement Act (ANCSA) stock to certain family members during the lifetime of a shareholder (see below for details). This option became available with the passage of the ANCSA Amendments of 1987 also known as the "1991" Amendments, and Technical 1987 Amendments of 1992.

In response to the new law, Chugach Alaska Corporation (CAC) has prepared this packet of forms to accomplish the transfer of shares by gift. Before you consider making such a gift, you should be aware of the following important factors:

- ***WHO IS ELIGIBLE TO RECEIVE THE GIFT?*** The gift can be made only to one or more brothers or sisters, children, grandchildren, great grandchildren, nieces or nephews. Relatives of your spouse may not qualify if they are not related to you by blood or adoption. Persons receiving a gift of shares do not have to be an Alaska Native as long as they are a descendant of a Native by blood or adoption.
- ***HOW MANY SHARES CAN I GIFT?*** The gift can be *any* number less than or equal to the amount you shares you own. However, the gift must be made in whole shares, not fractions of shares. Remember that if you give away all of your shares you will no longer be a shareholder.
- ***WHAT IF THE FAMILY MEMBER IS A MINOR?*** If the recipient of the gift is under 18 years of age, the shares will be held by a custodian until the minor reaches age 18. The custodian is usually a parent or legal guardian.
- ***CAN I GET THE SHARES BACK FROM THAT FAMILY MEMBER?*** You have a 60-day grace period to consider your gift. Anytime during the 60 days following receipt of the completed forms by CAC, you may contact the Shareholder Services department to stop the transfer. After that grace period, the gift is irrevocable: that is, the person receiving the Stock will not be able to give the stock back. For this reason, you are advised to consider very carefully whether or not you wish to make such a gift.
- ***WHAT ABOUT TAX ISSUES?*** As there may be federal, or in some instances, state tax consequences or liabilities resulting from such a gift, we recommend you consult your own tax advisor prior to making the gift.
- ***SHOULD I STILL USE A STOCK WILL?*** Yes, you can still include in your Stock or Formal Will, any shares you do not gift away during your lifetime. You may use the Chugach Alaska Corporation Stock Will available from the Shareholder Services department or specifically reference Chugach Alaska Corporation stock in your Formal Will.

If you have any questions about these procedures, it is important that you contact the Shareholder Department at (907) 563-8866, or 1-800-858-2768 extension 394 prior to completing your forms.

GLOSSARY OF STOCK TRANSFER TERMS

Affiant	one who gives a sworn statement, usually in written form (see also “deponent”)
Affidavit	document asserting facts and sworn to under oath
Anti-lapse Statute	law that can permit the beneficiary’s heirs, rather than the testator’s heirs, to inherit when the beneficiary dies before the testator (13.11.240)
Attorney in Fact	one who is given power of attorney by another; also called the agent
Beneficiary	one who is named in a will or testamentary disposition to inherit from the decedent (also called devisee or legatee)
Cultural Adoption	adoption that is not formal but is recognized by the courts for purposes of inheritance (also known as equitable adoption)
Custodian	one who has custody over the person or legal rights of another who is usually a minor
Decedent	one who is deceased
Deponent	one who gives sworn testimony, such as in an affidavit
Disclaimer	written waiver of right to inherit Native corporation stock
Dissolution	termination of marriage; same legal effect as divorce, but usually simpler to achieve (often without a lawyer), because parties agree on the terms
Equitable Adoption	see “cultural adoption”
Escheat	reversion of property to the corporation (stock) or to the state (the rest of an estate) when there is no known or located heir
Guardian	one appointed by a court to manage the affairs of another, because of the other’s minority or disability
Heir	one who would be entitled to inherit from the decedent if the decedent died without a will
Holographic Will	will that is handwritten; must be signed, but in Alaska need not be witnessed or dated to be valid
Intestacy	death without a valid will
Intestate Succession	how stock and other assets are to be distributed when there is no will or testamentary disposition clause; governed by statute
Issue	lineal descendants (children, grandchildren, etc.), both biological and adopted
Personal Representative	one appointed by the court in probate to act for the decedent’s estate; often appointed by the will, but can be appointed when there is no will (sometimes called executor or administrator)
Power of Attorney	written document giving either limited or nearly complete power to another person (known as agent, or attorney in fact) to act for oneself (principal); terminates upon disability unless it is durable; always terminates upon principal’s death
Probate	court proceeding to determine validity of a will and to collect and distribute estate assets in either testacy or intestacy
Residuary Clause	provision in will that disposes of the remainder of the testator’s estate, after specific bequests; for example, “A” leaves all Sealaska and Kootznoowoo shares to “B”, and the rest of her estate to “C” – the latter is the residuary clause
Separation	frequent prelude to termination of marriage; can be legal or informal; not the same legal effect for stock inheritance as divorce or dissolution – generally does not extinguish spouse’s right to inherit
Sibling	brother or sister
Testacy	death with a valid will
Testate Succession	how stock and other assets are to be distributed when there is a will and/or testamentary disposition clause
Testamentary Disposition Form	will only for Native Corporation stock; found on the reverse of stock certificate, or separate from the certificate
Testator	one who makes a will

CHUGACH ALASKA CORPORATION

Declaration of Gift of Stock

I, _____
 (your name)
 of _____
 (mailing address)
 own _____ shares in Chugach Alaska Corporation (CAC). I desire to give _____
 (# of shares) (# of shares of gift)
 of my Class _____ shares to _____
 (A, B, C, or D) (name of recipient)
 of _____
 (recipients mailing address)

Who is my: Child Grandchild Great Grandchild Niece
 Nephew Brother Sister

Whose birth date is _____ and is Native or a descendant of a Native under the Alaska Claims Settlement Act, as amended.

To carry out my purpose, I hereby forward this Declaration, duly signed and notarized, to Chugach Alaska Corporation (CAC) Shareholder Records Department, 3800 Centerpoint Drive, Ste. 601 Anchorage, AK 99503, along with a duly signed and notarized "Shareholder's Affidavit for Gift of Stock" and "Family Information Form (Gift)" with directions that CAC transfer record ownership of such shares on the books of CAC.

I understand that it is my purpose and intention to vest all incidents of absolute ownership of the Shares in _____ from this time forward.
 (name of recipient)

DATED: _____
 (signature of donor)

ACKNOWLEDGEMENT

STATE OF _____)
 _____)
 _____)

THIS IS TO CERTIFY that on this _____ day of _____, 20_____, personally appeared before me _____, known to be the individual described in and who executed the within Declaration of Gift Settlement Common stock and acknowledged that he/she signed the same as his/her free and voluntary act and Deed, for the purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and the year last above written.

 Notary Public in and for _____
 My Commission Expires: _____

CHUGACH ALASKA CORPORATION

Shareholders Affidavit for Gift of Stock

STATE OF _____)
_____)
_____)

I, _____ being first duly sworn, depose and say:

I am currently a shareholder of Chugach Alaska Corporation (CAC) owning the following shares of common stock:

_____ Shares of Class _____ Common Stock

_____ Shares of Class _____ Common Stock

1. I have freely and voluntarily completed and signed the accompanying "Declaration of Gift of Stock" which is dated _____.
2. It is my intent and desire to transfer _____ shares of my Class _____ Stock (the "Gifted shares") to _____ (the "Recipient"), whose mailing address is _____ and whose birth date is _____ and who is my _____.
3. The recipient is a Native or a descendant of a Native as defined in the Alaska Native claims Settlement Act, as amended. If the recipient is adopted, I have attached to this affidavit the court Decree of Adoption or other proof.
4. I have truthfully and accurately completed the attached "Family Information Form (Gift)" to the best of my knowledge and ability. The recipient is in fact related to me as stated in paragraph 3 above and shown on the attached "Family Information Form (Gift)."
5. It is my intent and desire to irrevocably transfer all rights and incidents of ownership of the Gifted Shares to the Recipient and to irrevocably vest in the Recipient all such rights of ownership. I understand that I will no longer have the right to vote the Gifted Shares at the shareholder meetings, receive dividends or distributions on the Gifted Shares, or bequeath the Gifted Shares upon my death, and that these and each and every other right with the respect to the shares will belong to the Recipient.
6. I understand that I will have sixty (60) days from the date of this document to cancel this Gift, provided that I notify the corporation in writing, and the writing is received within the sixty- (60) day period. I further understand that once this gift is finalized on the stock records of CAC, I will not be able to revoke or reverse it and that the Recipient will not be able to give the Gifted shares back to me.
7. Neither myself nor any other person has received anything of value nor have I or any other person been promised anything of value in return for transferring my shares.
8. I understand that if any taxes are owed as a result of this gift, CAC will not be responsible for it's payment.

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CHUGACH ALASKA CORPORATION

Shareholders Affidavit for Gift of Stock

(Shareholders Affidavit continued)

9. I understand that if the recipient is a minor, a custodian will be appointed to hold the shares on behalf of the minor, and that the custodianship will terminate upon the minor reaching the age of 18 or upon his or her death, whichever is earlier. I further understand that under the law, I have the ability to nominate the person whom I think is best suited to serve as the custodian to hold on behalf of the minor the shares I am gifting.

I also understand that if I do not make such a nomination, Chugach Alaska Corporation will make the selection of a custodian pursuant to a priority scheme set out by law. Pursuant to my right to nominate a custodian,

I nominate _____, whose address is _____ to serve as custodian.

10. I swear under oath to the best of my knowledge and belief that everything stated in this "Affidavit", and the accompanying "Declaration of Gift of Stock", and in the accompanying "Family Information Form" (Gift) is accurate and true and that in completing and signing these forms I am acting freely, voluntarily and without undue pressure, influence or duress.

DATED this _____ of _____, 20 _____

In _____.

(Signature of Donor)

SUBSCRIBED AND SWORN to this _____ day of _____

20 _____, in _____.

Notary Public in and for _____

My commission expires: _____

CHUGACH ALASKA CORPORATION

Family Information Form (Gift)

(Family Information continued)

12. The Recipient's father is: *myself* *my child* *my grandchild*
Other _____ *my brother* *my father* *my (ex) husband*

If the Recipient's father is someone other than you, complete the following:

- A. Recipient's father's name: _____
- B. Mailing address: _____
- C. Recipient's father *is* *is not* a Native
- D. Recipient's father *is* *is not* a Shareholder of CAC
- E. Recipient's father is a shareholder of the following Alaska Native Corporations:

13. The Recipient *is* *is not* a CAC Shareholder
14. The Recipient is enrolled in the following Alaska Regional and Village Corporations:
Regional: _____ Village: _____

15. The Recipient is a shareholder of the following Alaska Native Corporations *(do not include corporations identified above)*:

16. I have previously made the following gifts of an Alaska Native Corporation to the Recipient:
Name of Corporation: _____
Number of Shares: _____ Date: _____
17. Name of Person completing this form: _____
(please print)

(Signature)

(Date)