

## 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 Services Department at (907) 563-8866, or 1-800-858-2768 extension 4133 prior to completing your forms.

## GLOSSARY OF STOCK TRANSFER TERMS

<b>Affiant</b>	one who gives a sworn statement, usually in written form (see also "deponent")
<b>Affidavit</b>	document asserting facts and sworn to under oath
<b>Anti-lapse Statute</b>	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)
<b>Attorney in Fact</b>	one who is given power of attorney by another; also called the agent
<b>Beneficiary</b>	one who is named in a will or testamentary disposition to inherit from the decedent (also called devisee or legatee)
<b>Cultural Adoption</b>	adoption that is not formal but is recognized by the courts for purposes of inheritance (also known as equitable adoption)
<b>Custodian</b>	one who has custody over the person or legal rights of another who is usually a minor
<b>Decedent</b>	one who is deceased
<b>Deponent</b>	one who gives sworn testimony, such as in an affidavit
<b>Disclaimer</b>	written waiver of right to inherit Native corporation stock
<b>Dissolution</b>	termination of marriage; same legal effect as divorce, but usually simpler to achieve (often without a lawyer), because parties agree on the terms
<b>Equitable Adoption</b>	see "cultural adoption"
<b>Escheat</b>	reversion of property to the corporation (stock) or to the state (the rest of an estate) when there is no known or located heir
<b>Guardian</b>	one appointed by a court to manage the affairs of another, because of the other's minority or disability
<b>Heir</b>	one who would be entitled to inherit from the decedent if the decedent died without a will
<b>Holographic Will</b>	will that is handwritten; must be signed, but in Alaska need not be witnessed or dated to be valid
<b>Intestacy</b>	death without a valid will
<b>Intestate Succession</b>	how stock and other assets are to be distributed when there is no will or testamentary disposition clause; governed by statute
<b>Issue</b>	lineal descendants (children, grandchildren, etc.), both biological and adopted
<b>Personal Representative</b>	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)
<b>Power of Attorney</b>	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
<b>Probate</b>	court proceeding to determine validity of a will and to collect and distribute estate assets in either testacy or intestacy
<b>Residuary Clause</b>	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
<b>Separation</b>	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
<b>Sibling</b>	brother or sister
<b>Testacy</b>	death with a valid will
<b>Testate Succession</b>	how stock and other assets are to be distributed when there is a will and/or testamentary disposition clause
<b>Testamentary Disposition Form</b>	will only for Native Corporation stock; found on the reverse of stock certificate, or separate from the certificate
<b>Testator</b>	one who makes a will



CHUGACH ALASKA CORPORATION

Shareholders Affidavit for Gift of Stock

STATE OF \_\_\_\_\_ )
\_\_\_\_\_ )
\_\_\_\_\_ )

I, \_\_\_\_\_ being first duly sworn, dispose 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)*