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How to Give Your Kavilco Shares

The Alaska Native Claims Settlement Act (43 U.S.C. Subsection 1606) permits a shareholder to give a gift of shares to his or her child, grandchild, great grandchild, niece, nephew, brother or sister. To give all or part of your shares, please follow the instructions below and have the completed documents confirmed by a notary public before you send them to Kavilco.

1. The *Affidavit for Gift of Kavilco Stock* must be completed by the shareholder who is gifting the shares (the "donor"). List the name of each recipient and the number of shares you wish to give.
2. Complete the *Native Status Relative to Kavilco Stock.*
3. Ask the recipient to complete the *Affidavit for Receipt of Kavilco Stock*. Each person receiving a gift of shares must fill out the necessary information on the recipient form and sign it in the presence of a notary public. If the recipient is under 18, the parent or legal guardian of the child must complete and sign the form on the behalf of the recipient.
4. **If the recipient is under 18 years of age**, a custodian must be appointed to hold the shares (*If the recipient is over 18 years of age, please skip this step*). The custodian must complete the *Appointment of Custodian for Gift of Kavilco Stock to Minor* affidavit to accept the appointment. The custodian may be the recipient's parent, legal guardian, or the shareholder who is gifting the stock.
5. Have the recipient complete a *W-9 Form.* Every new shareholder must fill out a W-9 form. The recipient should include his or her name, address, social security number, and signature. The remaining boxes are used for businesses and can be left blank.
6. Send the completed, notarized forms to Kavilco Incorporated. Once we receive the completed forms, Kavilco will issue a new stock certificate to each person receiving shares. If you are retaining some of your shares, a new certificate will be issued to you. The new certificates must be signed by the President and Secretary during the next scheduled Board of Directors meeting. They will be sent to the recipients following the Board meeting.

   Send your completed and notarized forms to:

   Kavilco Incorporated
   1000 2nd Ave, Suite 3320
   Seattle, WA 98104

   Attn: Corporate Secretary

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Giving the Gift of Kavilco Shares: Questions and Answers

The Alaska Native Claims Settlement Act (ANCSA) permits Native corporation shareholders to give part or all of their shares as gifts. The following answers the most common shareholder questions about giving stock gifts:

Q. Who can give a gift of shares?
A. Any Kavilco shareholder can gift their shares.

Q. Who can I give my shares to?
A. You can give your shares to your child, grandchild, niece, nephew, brother or sister, whether they are related to you by birth or by legal adoption.

Q. What about my spouse or my spouse's relatives?
A. The person you are giving your shares to must be related to you by blood or adoption, For example, a spouse's nephew may not be a recipient.

Q. Does the recipient have to be an Alaska Native?
A. The recipient must be either an Alaska Native or a descendant of a Native, including adopted descendants. No particular blood quantum is necessary to receive a gift of shares.

Q. Why do shareholders give their shares away?
A. Shareholders give shares for many reasons: Birthdays, graduations, to give Natives born after the enrollment cut-off date a stake in their corporation.

Q. How many shares can I give away?
A. You can give any number of shares, from one share to all of your shares.

Q. Can a gift include a fraction of a share?
A. No, the gift must be in whole shares. For example, if you give 25 shares to two children, one child will receive 12 shares and one will receive13 shares.

Q. Can I undo my gift later? Can the recipient return the shares to me?
A. No. Once you have given your shares away you no longer have authority over them. The law does not provide for gifts to parents, grandparents, aunts or uncles, so the person you give your shares to cannot return them unless they are your brother or sister. We advise you to consider your gift carefully.

Q. What about a gift to a minor?
A. If the recipient is under the age of 18, a custodian must hold the shares (usually a parent or legal guardian) until the recipient reaches age 18.

Q. What are the tax consequences of a gift a shares?
A. We don't know. You and the recipient should consult with a tax advisor about any Federal or State tax liability because of this gift. Kavilco Incorporated is not responsible for any taxes that may be owed.

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Q. Can I provide for family members or others to receive a gift of stock in any other way?

A. Yes, you can indicate how you want to leave your shares upon your death.

1. By formal will, or
2. By completing the Testamentary Disposition stock clause on the back of your stock certificate, or
3. By completing a special one-page Testamentary Disposition form to ensure how your shares are passed upon your death.

There are no restrictions on who can inherit your shares.

Q. How do I give a gift of shares?

A. You must properly complete the following documents, have them confirmed by a notary and return them to Kavilco:

1. Affidavit for Gift of Kavilco Stock
2. Affidavit for Receipt of Gift of Kavilco Stock (filled out by the person you are giving the shares to)
3. Affidavit of Native Status Relative to Kavilco Stock
4. Appointment of Custodian for Gift of Kavilco Stock to Minor (*if the person you are giving the shares to is under the age of 18*)

Q. How long does it take to give a gift of shares?

A. Once Kavilco has received the properly completed documents we will prepare new stock certificates that must be signed during a Board meeting by the President and Secretary of the Board of Directors. Board meetings are held every two (2) months: January, March, May, July, September and November.

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Affidavit for Gift of Kavilco Stock

To: Corporate Secretary of Kavilco Inc. ("Kavilco"):

I, _____,
Please print your name as it appears on your stock certificate

_____
Complete mailing address

_____, _____ _____ _____-_____-_____
City State Zip Code Social Security Number

am a shareholder of Kavilco. I now own _____shares of Class _____stock. I hereby give the following shares of stock I own to:

NAME_____
Last, First Middle, Designation (Jr., Sr., I, II, etc.)

Address _____

City_____State_____Zip Code_____

Phone_____Email _____

SS#_____-_____-_____ D.O.B: MM/DD/YY Number of Shares received_____

Alaska Native Descendant (Yes/No)_____ (If yes, complete affidavit of Native Status form)

NAME_____
Last, First Middle, Designation (Jr., Sr., I, II, etc.)

Address _____

City_____State_____Zip Code_____

Phone_____Email _____

SS#_____-_____-_____ D.O.B: MM/DD/YY Number of Shares received_____

Alaska Native Descendant (Yes/No)_____ (If yes, complete affidavit of Native Status form)

NAME_____
Last, First Middle, Designation (Jr., Sr., I, II, etc.)

Address _____

City_____State_____Zip Code_____

Phone_____Email _____

SS#_____-_____-_____ D.O.B: MM/DD/YY Number of Shares received_____

Alaska Native Descendant (Yes/No)_____ (If yes, complete affidavit of Native Status form)

TOTAL shares transferred _____ **Shares retained by donor** (if any)_____

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Under oath I depose the following:

1. I understand that the Alaska Native Claims Settlement Act (43 U.S.C. §1606) permits a shareholder to give a gift of shares to his or her child, grandchild, great grandchild, niece, nephew, brother or sister. If the person I am giving my shares to is under 18 years of age, a custodian must be appointed.
2. I attest that I am at least 18 years old.
3. I understand that I can not revoke, take back, or otherwise change this gift of shares once it has been made.
4. I understand that if there are taxes owed as a result of this transfer, Kavilco Incorporated will not be responsible for payment, and that payment of any such taxes will be either my responsibility as donor or the recipient's responsibility.
5. I understand that my gift gives the recipient all authority over the shares they receive. I will no longer have voting rights and I will no longer receive dividends or distributions for the shares I have given.
6. I affirm that I have not received anything of value nor was I promised anything of value as compensation or payment for the stock I am giving.
7. I understand that by signing this affidavit, I am affirming under oath to the best of my knowledge and belief that everything stated herein is true, and that I am acting of my own free will and am not under any undue pressure, influence, or duress.

Please reissue the stock in accordance with the foregoing.

_____ _____
Shareholder signature Date

State of Alaska)
_____Judicial District)
[or if executed outside Alaska:]
State of _____)
County of _____)

Before me, the undersigned authority, personally appeared _____, who being duly sworn, testified under oath that the attached instrument is true and correct.

Subscribed and sworn to (or affirmed) before me this _____ day of _____, _____.
Year

_____
Signature of Notary

Notary Public for _____

My Commission Expires _____

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Affidavit of Native Status Relative to Kavilco Stock

State of Alaska)
) ss.
_____Judicial District)

[or if executed outside Alaska:]

State of _____)
) ss.
County of _____)

TO: Corporate Secretary of Kavilco Inc. ("Kavilco") and its Transfer Agent:

1. Native Status

I, _____ , am a Descendant of a Native
(Please print your name)
within the meaning of the Alaska Native Claims Settlement Act Amendments of 1987, Sec.3. Section 3(43 U.S.C. 1602)(5)(r) 'Descendant of a Native' means – "(1) a lineal descendant of a Native or of an individual who would have been a Native if such individual were alive on December 18, 1971, or "(2) an adoptee of a Native or of a descendant of a Native, whose adoption – "(A) occurred prior to his or her majority, and "(B) is recognized at law or in equity;

2. Name of Native Ancestor

The name of my ancestor that is/was a Native is:

Ancestor's Name: _____

Ancestor's Relation to You: _____

Please explain briefly how you know your ancestor was a Native within the meaning of ANCSA.

_____

_____

_____

_____

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DATED this _____day of _____, _____.

Signature_____

STATE OF _____)
)
_____)

THIS IS TO CERTIFY that on the _____day of _____, _____ before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____ to me known to be the individual described in and who executed the within and foregoing document and that he/she signed the foregoing document freely and voluntarily for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year in this certificate first appearing above.

_____
Notary Public for _____
My Commission Expires_____

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Affidavit for Receipt of Gift of Kavilco Stock

To: Corporate Secretary of Kavilco Inc. ("Kavilco"):

I, _____,
Please print your name as it appears on your Social Security card

_____
Complete mailing address

_____, _____ _____ _____-_____-_____
City State Zip Code Social Security Number

_____
Date of Birth

under oath, depose as follows:

1. I understand that if the proposed gift to me from _____
Name of donor
is approved by Kavilco's Board of Directors, I will receive _____ shares of Kavilco stock.
2. I have not paid, transferred or promised anything of value to obtain these shares.
3. I understand that as a shareholder of Kavilco I will have the following rights and responsibilities with regard to the shares:
   a. I will be responsible for voting my shares either in person or by proxy at shareholder meetings.
   b. I will be responsible for determining the future ownership of my shares by gift or by will.
   c. I will be entitled to receive distributions or dividends issued by Kavilco to holders of Settlement Common Stock, the amount to be based on the number of shares I own.
   d. I will be responsible for paying whatever taxes may be owed as a result of receiving this gift of shares.
4. I understand that the law does not allow me to return the shares, except as a gift to a brother or sister, and then only if I am over age 18.
5. I understand that my signature below indicates my acceptance of the proposed stock gift and my request that Kavilco complete the transfer of shares from the shareholder named above to me.

Signed_____ Date_____

State of Alaska)
_____Judicial District)
[or if executed outside Alaska:]
State of _____)
County of _____)

Before me, the undersigned authority, personally appeared _____,
who, being duly sworn, testified under oath that the attached instrument is true and correct.

Subscribed and sworn to (or affirmed) before me this _____ day of _____, _____.
Month Year

_____ Notary Public for _____
Signature of Notary

My Commission Expires _____

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Appointment of Custodian for Gift of Kavilco Stock to Minor

IMPORTANT If the recipient of a gift of Kavilco stock is less than 18 years of age, his or her parent or legal guardian may be appointed as a custodian of the shares. The shareholder who is gifting stock may also elect to act as custodian. This form must be completed by the custodian to accept appointment.

To: Corporate Secretary of Kavilco Inc. ("Kavilco"):

In the matter of _____|_____, a minor:
Minor First Name Last Name

This document appoints_____|_____
Custodian First Name Last Name

as custodian of all stock and other property that the above-named minor is and may later be entitled to receive from Kavilco Incorporated, pursuant to the Alaska Native Claims Settlement Act ("ANCSA"; 43 U.S.C. § 1601 et seq.) until the minor reaches age 18. This appointment complies with Alaska Statute 13.46.085, as set forth on the reverse side hereof.

_____
Custodian full mailing address

_____ _____ _____
City State Zip Code

The undersigned hereby consents to and accepts appointment as custodian for the above-named minor, and agrees to receive and hold as custodian all stock and property distributed that the minor may be entitled to receive from Kavilco. The undersigned further agrees to collect, hold, manage, invest and reinvest the custodial property in accordance with Alaska Uniform Transfer to Minors Act, as it may be amended or replaced from time to time. The undersigned acknowledges having read and understood Alaska Statutes 13.46.085 and 13.46.110 (both set forth on the reverse side of this page), which are sections of the Alaska Uniform Transfer to Minors Act that address the appointment, powers and duties of custodians for minors.

Custodian signature_____

Date_____

Family or legal relationship of custodian to the above-named minor:_____

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Alaska Statutes Excerpts from the Alaska Uniform Transfers to Minors Act

AS 13.46.085. Native corporation; custodians.

(a) The stock or membership in a corporation organized under the law of this state under the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 – 1642) that a minor is entitled to receive under the Act shall be held by a custodian.

(b) A person making a transfer of stock, whether by gift, devise, or other method, may nominate a custodian. In the absence of a nomination, the custodian shall be determined under the order of priority set out below. The appointment becomes effective upon the corporation's receipt of the custodian's written consent to the appointment. The order of priority is:
   (1) the legal guardian, if any, of the minor;
   (2) a parent, if any, of the minor, as selected by the parents;
   (3) an adult member of the minor's family; in this paragraph, "member of the minor's family" has the meaning given in AS 13.46.990, and also includes members of a family with whom the minor has customarily lived.

(c) For good cause, a district court or the superior court may vary the order of priority set out in (b) of this section or appoint another suitable person as custodian.

(d) the custodianship is governed by this chapter, as modified by the following:
   (1) [Repealed, §§ 12, ch. 60, SLA 1992]
   (2) under AS 13.46.150, a third person is responsible for determining whether stock is inalienable under the Act;
   (3) the custodian shall give an appropriate receipt for property received by the minor;
   (4) the custodian may not alienate inalienable property except within the limits provided by law;
   (5) the form of registration or title shall be "as custodian for _____|_____|_____(name of minor)
   First Name M.I. Last Name
   under the Alaska Native Claims Settlement Act";
   (6) a custodian may not receive compensation except, upon application to and approval by the superior court, for unusual and extraordinary services;
   (7) custodial property includes securities, money, and other real and personal property under supervision as a consequence of the Act.

(e) Not withstanding AS 13.46.190, the stock shall be transferred to the minor when the minor reaches 18 years of age, or to the minor's heirs if the minor dies before reaching 18 years of age.

(f) In this section,
   (1) "Act" means the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 – 1642);
   (2) "minor" means an individual who is less than 18 years of age;
   (3) "stock" means the stock or membership in a corporation that is organized under the law of this state under the Act and that a minor is entitled to receive under the Act, whether by gift, devise, or other method; "stock" includes inchoate rights to stock.

AS 13.446.110. Care of custodial property.

(a) A custodian shall:
   (1) take control of custodial property;
   (2) register or record title to custodial property if appropriate; and
   (3) collect, hold, manage, invest, and reinvest custodial property.

(b) In dealing with custodial property, a custodian shall observe the standard of care that would be observed by a prudent person dealing with property of another and is not limited by any other statute except AS 13.90.010 restricting investments by fiduciaries. If a custodian has a special skill or expertise, or is named custodian on the basis of representations of a special skill or expertise, the custodian shall use that skill or expertise. However, a custodian, in the custodian's discretion and without liability to the minor or the minor's estate, may retain custodial property received from a transferor.

(c) A custodian may invest in or pay premiums on life insurance or endowment policies on:
   (1) the life of the minor only if the minor or the minor's estate, is the sole beneficiary; or
   (2) the life of another person in whom the minor has an insurable interest only to the extent that the minor, the minor's estate, or the custodian in the capacity of custodian, is the irrevocable beneficiary.

(d) A custodian at all times shall keep custodial property separate and distinct from all other property in a manner sufficient to identify it clearly as custodial property of the minor. Custodial property consisting of an undivided interest is so identified if the minor's interest is held as a tenant in common and is fixed.

   Custodial property subject to recordation is so identified if it is recorded, and custodial property subject to registration is also identified if it is either registered, or held in an account designated, in the name of the custodian, followed in substance by the words: "as custodian for _____|_____|_____(name of minor) under the Alaska Uniform Transfers to Minors
   First Name M.I. Last Name
   Act."

(e) A custodian shall keep records of all transactions with respect to custodial property, including information necessary for the preparation of the minor's tax returns, and shall make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor if the minor has attained the age of 14 years.

Note: To be sure the statutory information is up-to-date and complete, custodians should consult the entire Alaska Uniform Tranfer to Minors Act, AS 13.46.010 - .999.