

Inter Vivos Transferral of Shares



**P.O. Box 2682
Kenai, AK 99611**

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Salamatof Native Assoc., Inc. (SNA, Inc.)

Inter Vivos Gifting Information Sheet

Amendments to the Alaska Native Claims Settlement Act now permit the Settlement Common Stock of Native Corporations to be transferred as an inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew or (if the holder has reached the age of majority as defined by the laws of the State of Alaska) brother or sister. The following restrictions and consequences should be considered prior to making a transfer by inter vivos gift:

- **The transfer is irrevocable.**
- **The recipient must be Native or a descendant of a Native.**
- **The relationship between the giftor and the recipient must be by blood or adoption and not simply by marriage.**
- **The recipient will hold all authority over the transferred stock.**
- **Voting rights over the transferred shares will rest with the recipient.**
- **The recipient will receive all dividends and distributions for the transferred shares.**
- **Depending upon each individual giftor's tax portfolio, there may be gift and estate tax consequences.**
- **The giftor may transfer all or just a portion of his or her shares to one or more recipients.**

If you are interested in transferring some or all of your SNA, Inc. shares as an inter vivos gift and would like more information, please contact:

SNA, Inc. Shareholder Relations Dept.
P.O. Box 2682
Kenai, AK 99611
(907) 283-7864

SALAMATOF NATIVE ASSOC., INC.

INTER VIVOS GIFTING PROCEDURE

The following procedures have been implemented to effectuate the transfers of SNA, Inc. stock as inter Vivos gifts. Upon receipt of a shareholder's request for gifting information:

- Step 1.** Verify stockholder is an adult and confirm that their SNA, Inc. stock is not subject to attachment due to an order of child support.
- Step 2.** If the shareholder is an adult and not subject to child support attachment, send the shareholder and Inter Vivos Transferal of Shares affidavit and a letter which:
- A) Explains the considerations, restrictions and possible tax consequences that should be considered prior to making a transfer of stock at an inter vivos gift.
 - B) Provides instructions for completing the Inter Vivos Transferal of Shares affidavit.
 - C) Requests certified copies of the birth certificate for each recipient that establishes the relationship between the giftor and recipient(s) (i.e. if the giftor is transferring stock to his or her grandchild's parent.)
- Step 3.** Upon receipt of a valid Inter Vivos Transferal of Shares affidavit from a stockholder, verify:
- A) The recipient is a child, grandchild, great-grandchild, Niece, nephew, brother or sister of the giftor and related to the giftor by blood or adoption and not simply by marriage. (It is important to note that individuals that are legally adopted are considered the child of the adoptive parents and cannot receive inter vivos gifts of SNA, Inc. stock from members of their former families.
 - B) The recipient is Native or a descendant of a native.
- Step 4.** Send the appropriate Acceptance of the Gift of Stock affidavit to each giftee who is an eligible recipient as defined in ANSCA. Provide notification to giftee that he or she chooses not to accept the gift; he/she may renounce the gift by executing a renunciation form, which will be provided by the corporation upon request.
- A) If the recipient is an adult, send the acceptance affidavit to the individual.
 - B) If the recipient is a minor, it is the giftor's responsibility to appoint a custodian to manage the minor's stock. (The giftor should designate the custodian for each minor recipient on the Inter Vivos Transferal of Shares affidavit.) Send the acceptance affidavit to the individual the giftor has appointed as custodian for the minor. (The appointment of the custodian is governed by the Alaska Uniform Transfers to Minors Act. The individuals eligible to act as custodian are outlined in the initial letter sent to the giftor.)

- Step 5.** Upon receipt of an acceptance affidavit from all recipients, prepare the file for review and approval by in-house legal counsel. Include all correspondence, affidavits and substantiating documentation.
- Step 6.** After approval of the proposed transfer by legal counsel, cancel giftor's stock certificate and reissue new stock certificates as appropriate. New stock certificate and information packet is mailed to giftee(s) and, if applicable, giftor.
- Step 7.** Send notification to giftor reiterating the following:
- A) The transfer is irrevocable.
 - B) All authority over the transferred stock is not retained by the recipient, including voting and dividend rights.

Please Complete the Following

Your Name: _____

Address: _____

City

State

Zip

Telephone No: _____ Social Security No: _____

Birthdate: _____

Sex: Male Female

Degree of Native Blood: _____%

Native Origin: Aleut _____ Eskimo _____ Indian _____

Are you currently a SNA, Inc. Shareholder? Yes ___ No ___

Are you a shareholder in any other regional native corporation(s)? Yes ___ No ___

If Yes, name(s) of corporation(s): _____

All further mail from the Shareholder Relations Department will be sent to the address you have indicated on this affidavit and can only be changed upon written notice.

SALAMATOF NATIVE ASSOCIATION, INC.
Social Security Number Certification

I, _____, under penalties of perjury, certify the following:

(1) _____ is ___ _ my _____ my child's or ward's correct Social
(Print Social Security #)
Security number. (My child or ward's name is
_____)

(2) I also certify that I am not or the above named child or ward is not subject to backup withholding because (a) I have not been notified that I am (or the above named child or ward is) subject to backup withholdings by the Internal Revenue Service (IRS) as a result of failure to report all interest or dividends, or (b) the IRS has notified me that I am (or the above named child or ward is) no longer subject to backup withholding. (see instruction #2 below)

Signature

Date

INSTRUCTIONS

1. Print and sign you name as it appears on you SNA, Inc. stock records.
2. If you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on you tax return, you must cross out Section (2) above.
3. Do not cross out section (2) if you were once subject to backup withholding but have been notified by the IRS that you no longer are.

FOR OFFICE USE ONLY

ID NUMBER _____

NO CORRECTION REQUIRED _____ DATE _____

ENTERED BY _____ DATE _____

VERIFIED BY _____ DATE _____

SALAMATOF NATIVE ASSOCIATION, INC.

APPROVAL OF INTER VIVOS TRANSFERRAL OF SHARES

Original Shareholders Name

Current Number of Shares Owned

Number of Shares Owned After Transfer

<u>Name of Recipients</u>	<u>Number or Shares to be transferred</u>
_____	_____
_____	_____
_____	_____
_____	_____

Date

SNA, Inc. Probate Technician
Shareholder Records Department

I have examined the documents in this file and hereby authorize the transfer of shares as set forth above.

Date

SNA, Inc. Attorney

Stock Certificate(s) Reissued:

Date

SNA, Inc. Stock Transfer Technician

RENUNCIATION DOCUMENT



**P.O. Box 2682
Kenai, AK 99611**

File No: _____

Dear Shareholder:

The Alaska Native Claims Settlement Act Amendments of 1987 added language to Section 7(h)(1) of ANCSA permitting the Settlement Common Stock of Native corporations to be transferred “as inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew, or (if the holder has reached the age of majority as defined by the laws of the State of Alaska) brother or sister, 43 U.S.C. § 1606(h)(iii). The recipient of shares transferred by such a gift must be a Native or a descendant of a Native who is related to the giftor by blood or adoption and not simply by marriage. (Individuals who are legally adopted are considered the child of the adoptive parents and cannot receive inter vivos gifts of Salamatof Native Assoc., Inc. (SNA, Inc.) stock from members of their **former** families.)

In considering any gift of shares, a shareholder must understand that (a) the transfer is irrevocable; (b) the transfer places all authority over the transferred stock in the hands of the recipient; (c) voting rights for the transferred shares will rest with the recipient; and (d) the recipient will receive all dividends for the transferred shares.

In addition, a shareholder should consider possible gift and estate tax consequences. While SNA, Inc. cannot advise you on these tax matters, we believe we should point out in general terms what the issues may be so that you can seek advice from a lawyer or accountant if you believe such advice is needed in your circumstances.

Federal tax rules require that someone who makes a gift with a value in excess of \$10,000 (measured on the date of the gift) must file a gift tax return at the time they file their income tax return for the year in which the gift is made. Gifts to a single recipient of less than \$10,000 in a year are ignored. The gift and estate tax rules further provide a tax credit of \$192,800 with respect to all gifts made during the taxpayer’s lifetime and all amounts included in the taxpayer’s estate at death. With current tax rates, this means that a taxpayer does not have to pay any gift or estate tax unless the sum of all amounts gifted by the taxpayer in excess of \$10,000 per year per recipient, and the amount included in the taxpayer’s estate, is greater than \$600,000. If the amount does exceed \$600,000, the taxpayer’s estate will have to file an estate tax return and pay estate tax.

Because SNA, Inc. stock has no market value, and because the task of valuing SNA, Inc. stock would be complex and extremely expensive, SNA, Inc. is unable to tell you how much your SNA, Inc. stock is worth. Thus, we cannot advise you regarding any particular amount of stock would exceed \$10,000, nor can we advise you regarding the amount, which would be added to your estate upon death as a result of any gift of stock, which you choose to make.

While all of this may sound complicated, you should remember that as long as the value of your estate plus any gifts in excess of \$10,000 per year per recipient that you have made during your lifetime will be less than \$600,000, the difficult issue of valuing SNA, Inc. stock will not have to be faced by you or your heirs. You (or your tax advisor) may want to consider whether this will be the case and, particularly if you cannot be confident that you will be under the \$600,000 limit, you may want to consider limiting your gift of SNA, Inc. stock to any single recipient in any year to a number of shares that you are confident is worth less than \$10,000.

If you wish to proceed with the transfer of your SNA, Inc. stock as in inter vivos gift please complete the enclosed Inter Vivos Transferal of Shares affidavit. Be sure to provide the mailing address for each recipient and your relationship to each. Note that your signature must be witnessed by a notary public.

In addition to the affidavit, you must also provide us with a certified copy of the birth certificate for each recipient, which establishes their relationship to you. (If, for example, the recipient were your grandchild, you would have to provide your grandchild's birth certificate and your child's birth certificate that is your grandchild's parent.) After review of the certified certificate, we will return the original to you. In addition, if the recipient has had a name change from the name on the birth certificate, you will have to provide the legal document, which substantiates the change.

Also, in some instances, it may be necessary for the giftor to provide documentation such as a certified birth certificate. (If, for example, the recipient is your brother or sister, you would have to provide your birth certificate and your sibling's birth certificate) or is there has been a name change, to provide the legal documentation which substantiates the name change.

Once we have received your completed affidavit and appropriate birth certificates, each individual you designate to be a recipient of your stock will be contacted and required to complete an acceptance affidavit indicating their willingness to accept your shares as an inter vivos gift.

If the recipient of your gift is a minor (under 18 years of age), SNA, Inc. is required to register the gifted shares in a custodian's name, as well as in the minor's name. In accordance with the Alaska Uniform to Minor's Act, you are responsible for designating the minor's custodian.

Persons eligible to act as a custodian include:

1. Yourself;
2. a guardian of the minor;
3. an adult member of the minor's family;
4. another adult person.

In completing your affidavit, please include the name and address of the person you nominate as the custodian for each minor recipient of your stock. That individual will be required to submit the acceptance affidavit on the minor's behalf.

If you have any questions concerning this matter, please do not hesitate to contact the Shareholder Relations Department at (907) 283-7864.

Sincerely,

SALAMATOF NATIVE ASSOC., INC.

SALAMATOF NATIVE ASSOC., INC.

INTER VIVOS TRANSFERAL OF SHARES

State of: _____)
County of: _____) ss.
(or _____ Judicial District)

I, _____, being sworn, certify and affirm the following:

1. I am a stockholder in Salamatof Native Assoc., Inc. (SNA, Inc.). My Social Security number is _____; my date of birth is _____ and my current address is _____
2. I own _____ shares of SNA, Inc. stock.
3. I understand that I may only give my shares to an Alaska Native, or a descendant of an Alaska Native, who is my child, grandchild, great-grandchild, niece, nephew, brother, or sister who is related to me by blood or adoption (and not simply by marriage); and that it is my responsibility to provide documentation proving Native descent and family relationship.
4. I understand individuals that are legally adopted are considered the child of the adoptive parents and cannot receive inter vivos gifts of Salamatof Native Assoc., Inc. stock from members of their former families. I affirm that none of the individuals listed as recipients below have been adopted out of my natural family.
5. I authorize Salamatof Native Assoc., Inc. to transfer, as my irrevocable listed as recipients below have been adopted out of my natural family.
6. I authorize Salamatof Native Assoc., Inc. to transfer, as my irrevocable gift, to the people (recipients) listed below:

NAME OF RECIPIENT

Relationship: _____	Relationship: _____	_____
Phone No: _____	Phone No: _____	Custodian's Address: _____
Age: _____	Age: _____	_____
Custodian: _____	Custodian: _____	_____
_____	_____	_____
_____	_____	_____
Relationship: _____	_____	Custodian's Address: _____
Phone No: _____	_____	_____
Age: _____	Custodian's Address: _____	_____
Custodian: _____	_____	<u># OF SHARES</u>
_____	_____	_____
_____	_____	_____

Relationship: _____
Phone No: _____
Age: _____
Custodian: _____

Custodian's Address: _____

Relationship: _____
Phone No: _____
Age: _____
Custodian: _____

Custodian's Address: _____

Relationship: _____
Phone No: _____
Age: _____
Custodian: _____

Custodian's Address: _____

- 5. I understand the recipient will be contacted in writing prior to the transfer and that it is my responsibility to provide and address to Salamatof Native Assoc., Inc. for the recipient.
- 6. I acknowledge that I have received and read the letter from Salamatof Native Assoc., Inc. (SNA, Inc.) dated _____, which explains the consequences and tax considerations of transferring shares of stock as an inter vivos gift.
- 7. I affirm that I have not received anything of value nor was I promised anything of value in compensation for the stock I wish to gift and that I execute this instrument as my free and voluntary act for the purposes expressed in it, that I am 18 years of age or older, of sound mind, and under no constraint or undue influence.

I have read, understand and agree to all of the points above and the information I have provided to Salamatof Native Assoc., Inc. is true.

Dated: _____ (Signed) _____

.....

Subscribed and sworn to me by _____ on this _____ day
_____ of, 20____.

(SEAL)

(Signed) _____

Notary Public in and for: _____

My commission expires: _____

*If a minor, list names and address of designated custodian.

Acceptance Documents



P.O. Box 2682

Kenai, AK 99611

SALAMATOF NATIVE ASSOC., INC.

REQUEST FOR ACCEPTANCE OF GIFT OF STOCK AFFIDAVIT

Dear _____,

The Alaska Native Claims Settlement Act of 1987 added language to Section 7(h)(1) of ANCSA permitting the Settlement Common Stock of Native corporations to be transferred “as an inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew, or (if the holder has reached the age of majority as defined by the laws of the State of Alaska) brother or sister”, 43 U.S.C. § 1606(h)(1)(c)(iii). The recipient of shares transferred by such a gift must be a Native or a descendant of a Native.

Recently _____ submitted an Inter Vivos Transferal of Shares affidavit in which he/she indicated an intention to gift _____ .000(_____) shares of his/her Salamatof Native Assoc., Inc. (SNA, Inc.) stock to you.

Prior to SNA, Inc. transferring these shares to you, you must complete the enclosed Acceptance of the Gift of Stock affidavit accepting these shares as an inter vivos gift from _____. Please note that this affidavit must be thoroughly completed and your signature must be witnessed by a notary public. (If you choose not to accept the shares gifted to you as an inter vivos gift, please notify me and I will send you a Renunciation of the Gift of Stock.) The stock will be transferred within thirty days of our receipt of all the proper documentation from each recipient.

Under an Internal Revenue Service (IRS) ruling that became effective January 1, 1984, you are required to complete the enclosed certification. This certification asks you to report your correct Social Security number. Your failure to return this certification will result in a 31% withholding of any payments made to you until a valid certification is received. Please return this certification along with your affidavit.

If you have any questions concerning this matter, please contact the SNA, Inc. Shareholder Relations Department at 283-7864.

Sincerely,

SALAMATOF NATIVE ASSOC., INC.

(Signed) _____

(SEAL)

Notary Public in and for: _____

My commission expires: _____

SALAMATOF NATIVE ASSOC., INC.

PLEASE COMPLETE THE FOLLOWING

Your Name:

Address:

_____ (Street/Post Office)

_____ City State Zip

Telephone No: _____ Social Security No: _____

Birthdate: _____ Sex: _____

Degree of Native Blood: _____ % Native Origin: Aleut ___ Eskimo ___ Indian ___ .

Are you currently a SNA, Inc. Shareholder? Yes ___ No ___

Are you a shareholder in any other regional native corporation(s)? Yes ___ No ___

If Yes, name(s) of corporation(s)?:

All further mail from the Shareholder Relations Department will be sent to the address you have indicated on this affidavit and can only be changed upon written notice.

SALAMATOF NATIVE ASSOC., INC.

**CONSENT TO APPOINT A CUSTODIAN OF AN
INTER VIVOS GIFT OF STOCK FOR A MINOR CHILD**

State of: _____)
) ss.
County of: _____)
(or _____ Judicial District)

I, _____, being duly sworn, certify and affirm that I have been nominated by _____ to act as custodian for an inter vivos gift of stock in Salamatof Native Assoc., Inc. to _____, a minor under the age of eighteen (18) years. I hereby affirm my belief that the minor would obtain the shares of stock. If this gift is approved, I understand that the minor named above will become the owner of _____ shares of stock in SNA, Inc.

The Alaska Native Claims Settlement Act of 1987 define “Descendant of a Native” as:

- 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.

In accordance with the Alaska Uniform Transfers to Minors Act, I am duly qualified to act as custodian in that I am: (please check the category which is applicable to you)

- ___ The donor of the gift of stock
- ___ Another adult person appointed by the donor (indicate relationship to minor)

I understand that the minor, upon reaching the age of majority, may sell or transfer the stock to whomever he or she chooses, or use the stock as collateral for a loan, if the current stock restrictions are lifted. Until that date, I understand that the stock is restricted by provisions contained in the Alaska Native Claims Settlement Act and cannot be sold or used as collateral for a loan and cannot be otherwise traded except in limited circumstances permitted by the Alaska Native Claims Settlement

Act I will advise SNA, Inc. in writing of any changes which may affect the minor's SNA, Inc. stock records, such as address and name changes.

SALAMATOF NATIVE ASSOC., INC.

REQUEST FOR ACCEPTANCE OF GIFT STOCK AFFIDAVIT FOR A MINOR

Dear _____,

The Alaska Native Claims Settlement Act of 1987 added language to Section 7(h)(1) of ANCSA permitting the Settlement Common Stock of Native corporations to be transferred "as an inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew, or (if the holder has reached the age of majority as defined by the laws of the State of Alaska) brother or sister", 43 U.S.C. § 1606(h)(1)(c)(iii). The recipient of shares transferred by such a gift must be a Native or a descendant of a Native.

_____ recently submitted an Inter Vivos Transferral of Shares affidavit in which he/she indicated an intention to gift _____ shares of Salamatof Native Assoc., Inc. stock to _____.

Since _____ is a minor, a custodian is prescribed by the Alaska Uniform Transfers to Minors Act. The duties and responsibilities are also prescribed by the Act; the custodian is legally responsible for managing the minor's stock in a manner which directly benefits the minor. _____, indicated on his/her Inter Vivos Transferral of Shares affidavit that you will act as the custodian of _____'s SNA, Inc. shares.

Prior to SNA, Inc. transferring shares to _____, you must complete the enclosed Consent to Appointment as Custodian on an Inter Vivos Gift of Stock for a Minor Child affidavit accepting these shares as an inter vivos gift on _____'s behalf and consenting to the appointment as _____ custodian.

Under an Internal Revenue Service (IRS) ruling that became effective on January 1, 1984, you are required to complete the enclosed certification on _____'s behalf. This certification asks you to report _____ correct Social Security number. Your failure to return this certification will result in a 31% withholding of any payments made to _____ until a valid certification is received. A return envelope is enclosed for your convenience in returning the requested documents.

If you have any questions concerning this matter, please contact the SNA, Inc. Shareholder Relations Department at 283-7864.

Sincerely,

SALAMATOF NATIVE ASSOC., INC.