

RSJ Construction llc Arizona General Contractor

From: Richard simeonoff <rsimeonoff@hotmail.com>
Sent: Thursday, October 25, 2007 2:04 PM
To: Alan Schmitt
Subject: RE: Document9

Allan, thanks for the prompt response. yes I would like a copy of the settelment agreement. I would like to stay on the board at least until all these problems are resolved.I am trying to work with Ellen,but am having a hard time getting any information from her. I would rather have shareholder consensus on everything. I know this may not be feesable.thanks

Richard Simeonoff Jr
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> Date: Thu, 25 Oct 2007 12:39:36 -0800
> From: alan@JESMKOD.COM
> To: rsimeonoff@hotmail.com
> Subject: Re: Document9
>
> Hello,
>
> The word file did not come with you e-mail but I received it via fax. Here are my replies:
>
> 1. I consider my client to be the corporation - not any individual director or shareholder. In this context, I have been working to assemble and get in order the basic corporate documents. These documents start with the articles of incorporation - which are on file with the state of Alaska (you can access them at this URL:
<https://myalaska.state.ak.us/business/soskb/Filings.asp?240499>
>
> Then, a corporation is required to have bylaws. Unfortunately, no one has been able to get to me an executed copy. The best I have seen is what I sent to you last week. However, they were not signed. So, a critical issue to resolve is getting an approved set of the bylaws. If you have something other than what was sent last week, please let me know.
>
> Likewise, it is critical to have an accurate list of shareholders. From the various pieces of information given to me the list which was sent to you last week was prepared. In the interest of making it as accurate as possible, I would like to discuss it with you.
>
> 2. I agree that the shareholders should have a say. However, to get to the point of a shareholder meeting, it is first necessary to get a functional board of directors. Under the bylaws, the existing board (which, based on the last filed biennial report, just consists of you, your father and Ellen) has the authority to fill vacancies on the board. Other than recommending that prospective board members have both the time and willingness to serve, I have no role in selecting the persons to fill the vacancies.
>
> 3. I was asked to help the corporation primarily regarding the AJV withdrawal. The withdrawal process was actually started many years ago and is at the point where the shareholders of Uganik Natives Inc. "UNI" need to act on the proposed settlement agreement. Originally the AJV put a deadline of September of this year for this to occur. The AJV has the option of "forcing" the settlement by means of going back to arbitration. Because that would take more time and expense (for both sides) the AJV has been encouraging and supporting UNI to get the matter to a shareholder vote. Because we were making some progress in getting UNI to the point of scheduling a shareholder vote, the AJV agreed to

move the deadline back to the end of the year.

>

> As part of this process, it will be necessary for each of the board members to read and understand the settlement agreement. If you have not already seen it, and are willing to stay on the board, I can get to you a copy of it. (Ultimately, as part of the proxy statement for a special meeting of the shareholders, each shareholder will get a copy of the document).

>

> 4. I agree that there are a variety of other issues which UNI needs to address. The list includes an annual meeting - which would include having the shareholders actually electing the board of directors and an audit (which would address the 7i distributions and other accounting issues) - amending the articles of incorporation relative to the 1991 amendment to ANCSA which created some income tax advantages for Native corporations and other matters - and having the corporation get into compliance with its own income tax return filing requirements. However, it takes time and effort by a functioning board to get familiar with what is required and then to make recommendations to the shareholders on the various issues.

>

> So, in conclusion, it is my opinion that the most effective way for UNI to move forward is as outlined in my October 18 memo (copy attached - please let me know if you need any of the other items). I also agree that it makes good sense for UNI to come up with a plan whereby it can continue to exist with minimal attorney involvement.

>

> Alan L. Schmitt

> Jamin Schmitt St. John, P.C.

>

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> >>> Richard simeonoff <rsimeonoff@hotmail.com> 10/25/07 09:48AM >>>

> There is a word file also of the fax I had sent

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