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June 2, 2009

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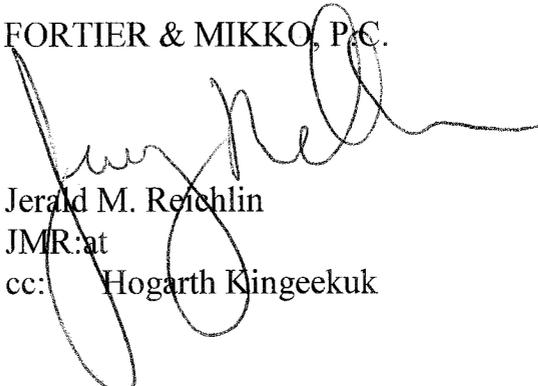
Re: Kukulget, Inc., Northeast Cape Gravel

Dear Carey:

I am writing regarding gravel at the Northeast Cape site. Kukulget, Inc. ("Kukulget"), has determined to hold firm at its quoted price \$10.00 per cubic yard. Previously, I explained to you why Kukulget puts a premium price on its gravel and your prior correspondence indicates that you understood the rationale. The State's appraisal lent further support for Kukulget's position. Infuriatingly, the appraisal was based on sales at other locations, where the cost of alternative sources was much less than the \$200 per cubic yard costs for an alternative to St. Lawrence Island and then blithely concluded that the sale to the State of over 100,000 yards of gravel ON St. Lawrence Island for \$10 cu/yd was for a single sale and did not make the market. Selling gravel at \$5 per cubic yard would serve to devalue the Kukulget's most significant asset and damage the Corporation's long term economic interests. The Corporation does not wish to reinforce the appraisal's erroneous conclusions. Accordingly, the Corporation has determined to stick with its original offer of \$10 per cubic yard.

Very truly yours,

FORTIER & MIKKO, P.C.


Jerald M. Reichlin
JMR:at
cc: Hogarth Kingeekuk