

3.

Janet O. Cutting

From: Darcie Yukimura
Sent: Monday, April 16, 2012 11:57 AM
To: Kate Lloyd; Evie Carranza
Subject: Jack L. Stahley Trust - Notice of Proposed Transfer of Trust's Principal Place of Administration

Aloha Kate, Evie,

Not sure if you need this. Just forwarding on a copy of the Notice of Proposed Transfer of Trust's Principal Place of Administration on the Jack L. Stahley Trust. It names 18 beneficiaries including the Hawaii Community Foundation.



Mahalo,

Darcie Yukimura
Philanthropic Services Officer
Hawaii Community Foundation
4139 Hardy Street, Suite C | Lihue, HI 96766
p: (808) 245-4585 | f: (808) 245-5189 | e: dyukimura@hcf-hawaii.org
Connecting people who care with causes that matter

Jeffrey L. Olson

Attorney at Law

April 11, 2012

| | |
|--|---|
| Robert Silverman Lolly Silverman 4303 Rice Street Lihue, HI 96766 | Ashley Parries 816 6 th Street SE Auburn, WA 98002 |
| Ariann White 19301 S. Meyers Road Oregon City, OR 97045 | Natalya Tieake 19301 S. Meyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clara Court Salem, OR 97301 | Holly Holmes (or Hallie Holm) 428 Clara Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chadly) 5707 SE Tranquil Court Milwaukie, OR 97267 | Javien Stahley (or Javien Luis Marron) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Kimberly Parries (or Kimberly Daniels) 1105 NE Hill Way Estacada, OR 97023 | Casey Parries 25933 SE Frog Pond Lane Eagle Creek, OR 97022 |
| Jessica Parries PO Box 399 Estacada, OR 97022 | Briann Parries (or Breanne Parries) PO Box 399 Estacada, OR 97022 |
| Jill L. Rylander 428 Clara Court Salem, OR 97301 | Jeffrey E. Stahley 2050 Tumwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Brent J. Parries PO Box 399 Estacada, OR 97022 |
| Cathy A. Ries 15264 S. Carus Road Oregon City, OR 97045 | Hawaii Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96766 |

Re: **Jack L. Stahley Trust Dated June 28, 2011**
Notice of Proposed Transfer of Trust's Principal Place of Administration

Dear Sir or Madam:

As you probably know by now, Jack Lee Stahley passed away from natural causes on the island of Kauai on or about January 27, 2012. He was 75 years of age. Each of you is named as a beneficiary of his trust, the "JACK L. STAHLEY TRUST dated June 28, 2011." His son, Jeffrey E. Stahley, is trustee of that trust.

4500 Kruse Way, Suite 100, Lake Oswego, Oregon 97035
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HFC 00003

Trust Beneficiaries

April 11, 2012

Page 2

Pursuant to Uniform Trust Code section 108 and in furtherance of his duties as trustee, Jeffrey E. Stahley, as trustee, hereby provides notice of his intent to transfer the trust's principal place of administration:

(A) The name of the state, country or other jurisdiction to which the principal place of administration is to be transferred:

Oregon

(B) The address and telephone number at the new location at which the trustee can be contacted:

Jeffrey E. Stahley, Trustee
2050 Tumwater Street
West Linn, OR 97068

Email: jeff.stahley@yahoo.com

Telephone: 503-710-8635

(C) An explanation of the reasons for the proposed transfer:

The trustee's goal is ease of trust administration at an appropriate place in furtherance of the interests of the trust beneficiaries. Not only does the trustee live in Oregon, but 15 of the trust's 19 beneficiaries live in Oregon. Further, for a number of years, the trustee will need to administer trust assets for the benefit of nine of the beneficiaries who have not yet reached the age of 25 years. Further still, a significant portion of the trust's assets are located in Oregon.

(D) The date on which the proposed transfer is anticipated to occur:

June 15, 2012

(E) The date by which the qualified beneficiary must notify the trustee of an objection to the proposed transfer. The date for notifying a trustee of an objection may not be fewer than 60 days after the date on which the notice is given:

June 14, 2012

If you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,



Jeffrey E. Stahley

CC: Jeffrey E. Stahley, Trustee

Jeffrey L. Olson

Attorney at Law

July 11, 2012

| | |
|--|---|
| Robert Silverman Lolly Silverman 4303 Rice Street Lihue, HI 96766 | Ashley Parries 816 6 th Street SE Auburn, WA 98002 |
| Arieann White 19301 S. Moyers Road Oregon City, OR 97045 | Natalya Tieake 19301 S. Moyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clara Court Salem, OR 97301 | Holly Holmes (or Hallie Holm) 428 Clara Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chadly) 5707 SE Tranquil Court Milwaukie, OR 97267 | Javien Stahley (or Javien Luis Marron) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Kimberly Parries (or Kimberly Daniels) 1105 NE Hill Way Estacada, OR 97023 | Casey Parries 25933 SE Frog Pond Lane Eagle Creek, OR 97022 |
| Jessica Parries PO Box 399 Eagle Creek, OR 97022 | Brieann Parries (or Breanne Parries) PO Box 399 Eagle Creek, OR 97022 |
| Jill L. Rylander 428 Clara Court Salem, OR 97301 | Jeffrey E. Stahley 2050 Turnwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Brent J. Parries PO Box 399 Eagle Creek, OR 97022 |
| Cathy A. Hies 15264 S. Carus Road Oregon City, OR 97045 | Hawaii Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96766 |

Re: **Jack L. Stahley Trust Dated June 28, 2011**
Accounting and Status of Trust Administration

Dear Sir or Madam:

The purpose of this letter is to provide you with an accounting and a status report regarding Jeffrey E. Stahley's administration of his father's trust. Also, in case you do not have one, I am enclosing a copy of the trust agreement.

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HFC 00005

Accounting

The following table sets out Mr. Stahley's estimates of the trust's assets and liabilities, both now and at the time of his father's death:

| Asset/Liability | Estimated Date of Death Value | Estimated June 30, 2012 Value |
|--|-------------------------------|-------------------------------|
| Hawaiian condominium (at Regency Hulo'ia) | \$399,500 | \$399,500 |
| Condominium contents | \$2,000 | \$2,000 |
| Condominium automobile (2008 Chevy Malibu) | \$12,625 | \$12,625 |
| LPL Financial (investment account) | \$265,244 | \$194,986 |
| Pacific Life (annuity, pre-tax) | \$153,361 | \$152,504 |
| CHI Funds (real estate loans, outstanding principal, non-cash) | \$228,375 | \$228,375 |
| Personal checking account | \$25,190 | \$0 |
| Trust checking account at US Bank | \$0 | \$92,563 |
| Total assets | \$1,086,295 | \$1,082,553 |
| Less: Liabilities (debts) | \$0 | \$0 |
| Total net assets (assets - liabilities) | \$1,086,295 | \$1,082,553 |
| Net change (June 30, 2012 value - date of death value) | | -\$3,742 |

The following table sets out the trust's receipts and disbursements, including the expenses Mr. Stahley has incurred in his administration of his father's trust, from the date of death (January 27, 2012) through June 30, 2012. Any administrative expenses have been paid from the trust's account at US Bank pursuant to Paragraph J of Article VIII of the trust agreement (see page 10 thereof):

| Item | \$ |
|--|----------|
| Receipts (investment income and gains) | \$16,510 |

| Item | \$ |
|---|-----------|
| Professional services (legal and accounting expenses) | -\$3,300 |
| Funeral/burial expenses | -\$4,400 |
| Travel expenses | -\$5,083 |
| Condominium and utility expenses | -\$7,469 |
| Total administrative expenses (disbursements) | -\$20,252 |
| Net (receipts - disbursements) | -\$3,742 |

Status

Since his father's death, Mr. Stahley has conducted a diligent investigation of his father's trust assets, non-trust assets, and liabilities and has been administering his father's trust according to the trust agreement.

Mr. Stahley has discovered no non-trust assets that would need to be administered under his father's will. In other words, Mr. Stahley does not believe a probate proceeding will be needed for his father's estate. All of his father's assets at the time of his death appear to have been part of his father's trust. Further, Mr. Stahley has discovered no separate hand-written listing of personal property. (See Paragraph B of Article II at the top of page 2.)

Mr. Stahley has listed the trust's condominium for sale. He also plans to sell the condominium contents and the condominium automobile. The current listing price for the condominium is \$399,500, and the realtor is Shelly Kauai Carvillio of Kauai Realty in Lihue, Hawaii. Mr. Stahley established the current listing price in consultation with the realtor, taking into account recent sales of comparable units at the condominium complex as well as currently listed units at the condominium complex. Mr. Stahley intends initially to deposit all of the net sales proceeds to the trust's checking account at US Bank.

Mr. Stahley has employed the services of Virgil Meads, CPA. Mr. Meads is the deceased's long-time accountant and tax-preparer. Mr. Meads is in the process of preparing the final tax returns for the deceased. These returns should be ready for filing shortly. Once the returns have been filed and any taxes paid, Mr. Stahley should be in a position to begin paying out the twelve \$25,000 gifts listed on page 3 of the trust agreement. (Article IV, at the bottom of page 2, prohibits Mr. Stahley from paying out these gifts until *after* he has provided for the payments referenced in Articles II and III.) Please note that Paragraph B of Article IV (see page 4) requires Mr. Stahley to hold in trust any of these \$25,000 gifts where the beneficiary has not yet reached 25 years of age. At this point, it appears that nine of the beneficiaries listed in paragraph A of Article IV are under the age of 25 years. Consequently, Mr. Stahley

Trust Beneficiaries

July 11, 2012

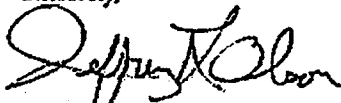
Page 4

intends to deposit \$225,000 ($\$25,000 \times 9$) into a new, separate investment account for these beneficiaries and to administer this account separately from all of the trust's other assets.

Finally, after providing for the payments referenced in Articles II and III, paying out or otherwise administering the twelve \$25,000 gifts, liquidating as necessary any of the trust's other assets, and providing for the expenses and compensation referenced in Paragraph J of Article VII, Mr. Stahley will be in a position to address the remainder gifts of Paragraph A of Article II referenced at the bottom of page 3.

If you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,



Jeffrey L. Olson

Enc.

CC: Jeffrey E. Stahley, Trustee

Jeffrey L. Olson

Attorney at Law

January 22, 2013

| | |
|---|---|
| Robert Silverman Lolly Silverman 4303 Hice Street Lihue, HI 96766 | Ashley Parties 816 6 th Street SE Auburn, WA 98602 |
| Aracelis White 19301 S. Meyers Road Oregon City, OR 97045 | Natalya Tioaka 19301 S. Meyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clam Court Salem, OR 97301 | Holly Holmes (or Halia Holm) 428 Clam Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chady) 5707 SE Tranquil Court Milwaukie, OR 97267 | Jaylen Stahley (or Jaylen Luis Marton) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Kimberly Parties (or Kimberly Danich) 1105 NE Hill Way Katahdia, OR 97023 | Casey Parties 75983 SE Frog Pond Lane Eagle Creek, OR 97022 |
| Jessica Parties PO Box 399 Eagle Creek, OR 97022 | Breanna Parties (or Breanna Parties) PO Box 399 Eagle Creek, OR 97022 |
| Jill L. Rylander 428 Clam Court Salem, OR 97301 | Jeffrey E. Sinter 2050 Tranwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Erent J. Parties PO Box 399 Eagle Creek, OR 97022 |
| Cathy A. Ries 15264 S. Garus Road Oregon City, OR 97045 | Hawai Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96766 |

Re: Jack L. Stahley Trust Dated June 28, 2011
Updated Accounting and Status of Trust Administration

Dear Sir or Madam:

The purpose of this letter is to provide you with an updated accounting and status report regarding Jeffrey E. Stahley's administration of his father's trust. Mr. Stahley last provided an accounting and status report in July 2012. A few events have occurred which warrant this update. In particular, Mr. Stahley recently sold the condominium (last week), its contents,

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HFC 00009

Trust Beneficiaries
January 22, 2013
Page 2

and the automobile. In addition, Mr. Stahley has begun paying out the \$25,000 gifts listed on page 3 of the trust agreement.

Accounting

The following table sets out Mr. Stahley's estimates of the trust's assets and liabilities, at the time of his father's death, at June 30, 2012, and at present (please see the notes below the table):

| Asset/Liability | Estimated Values | | |
|--|------------------|---------------|------------------|
| | Date of Death | June 30, 2012 | January 22, 2013 |
| Hawaiian condominium (at Regency Hiale'a) | 399,500 | 399,500 | 0 (1) |
| Condominium contents | 2,000 | 2,000 | 0 (2) |
| Condominium automobile (2008 Chevy Malibu) | 12,625 | 12,625 | 0 (3) |
| LPL Financial (investment account) | 265,244 | 194,986 | 200,000 (4) |
| Pacific Life (annuity, pre-tax) | 153,361 | 152,504 | 139,317 |
| CHI Funds (real estate loans, outstanding principal, non-cash) | 228,375 | 228,375 | 228,375 |
| Personal checking account | 25,180 (5) | 0 | 0 |
| Trust checking account at US Bank | 0 | 82,583 | 257,235 |
| Recently discovered timeshares in Cabo San Lucas, Mexico (6) | ? | ? | ? |
| Total assets | 1,061,105 | 1,082,553 | 824,927 |
| Less: Liabilities (debts) | 0 | 0 | 0 |
| Total net assets (assets - liabilities) | 1,061,105 | 1,082,553 | 824,927 |
| Change in total net assets from prior date | | 21,448 | -257,626 |

Trust Beneficiaries

January 22, 2013

Page 4

Status

Mr. Stahley has continued to administer his father's trust according to the trust agreement and has recently discovered three timeshares in Cabo San Lucas, Mexico. Mr. Stahley does not yet know whether these timeshares are in the name of the trust or otherwise, nor does he know what their values might be. Mr. Stahley will report more information on these timeshares when it becomes available.

As reported previously, Mr. Stahley has employed the services of Virgil Meads, CPA. Mr. Meads is the deceased's long-time accountant and tax-preparer. Mr. Meads prepared and filed the final tax returns for the deceased. Consequently, Mr. Stahley has begun paying out the twelve \$25,000 gifts listed on page 3 of the trust agreement. As noted above, Mr. Stahley has paid out a total of \$100,000 to Robert and Lolly Silverman, Kimberly Parries, Casey Parries, and Jessica Parries. Also as noted above, Mr. Stahley has set aside \$200,000 with LPL Financial specifically to pay the eight remaining \$25,000 gifts (with interest). From this point forward, the account with LPL Financial will be administered separately from all other trust assets.

If you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,



Jeffrey L. Olson

Enc.

CC: Jeffrey E. Stahley, Trustee

Trust Beneficiaries
January 22, 2013
Page 3

Notes:

- (1) The net proceeds from last week's sale of the condominium were \$280,029.
- (2) The net estate sale proceeds for the condominium contents totaled \$2,116.
- (3) The automobile sold for \$14,500.
- (4) This account now holds only the \$25,000 gifts that remain to be paid.
- (5) This account was closed, and the balance was transferred to the trust's checking account at U.S. Bank.
- (6) See Status section below for details.

The following table sets out the trust's receipts and disbursements, including the expenses Mr. Stulley has incurred in his administration of his father's trust, from June 30, 2012 to January 22, 2013. Any administrative expenses have been paid from the trust's account at US Bank pursuant to Paragraph J of Article VIII of the trust agreement (see page 10 thereof). Essentially, this table reconciles the change in the trust's total net assets from June 30, 2012 to the present:

| Item | | \$ | |
|---|--|----------|----------|
| Receipts: | Net increase in LPL financial account | 5,014 | |
| | Net decrease in Pacific Life account (due to annuity payments) | -13,187 | |
| | GHF Funds dividend | 8,929 | 756 |
| Disbursements: | Gifts to Robert and Lolly Silverman, Kimberly Parnes, Casey Parnes, and Jason Parnes, (\$25,000 x 4) | -100,000 | |
| | Trustee administration fee | -21,920 | |
| | Other trust administration expenses | -18,902 | -140,902 |
| Actual sales proceeds minus prior estimated values: | Condominium | -119,471 | |
| | Condominium contents | 116 | |
| | Automobile | 1,025 | -117,400 |
| Net change: | | | 257,626 |

Jeffrey L. Olson

Attorney at Law

February 14, 2013

| | |
|--|---|
| Alicann White 19301 S. Meyers Road Oregon City, OR 97045 | Natalya Tiecke 19301 S. Meyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clara Court Salem, OR 97301 | Holly Holmes (or Hallie Holm) 428 Clara Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chadly) 5707 SE Tranquil Court Milwaukie, OR 97267 | Javien Stahley (or Javien Luis Marron) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Ashley Parnes 816 6 th Street SE Auburn, WA 98002 | Briann Parnes (or Brianno Parnes) PO Box 399 Eagle Creek, OR 97022 |
| Jill L. Rylander 428 Clara Court Salem, OR 97301 | Jeffrey E. Stahley 2050 Tumwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Brent J. Parnes PO Box 399 Eagle Creek, OR 97022 |
| Cathy A. Hies 15264 S. Carus Road Oregon City, OR 97045 | Hawaii Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96766 |

Re: **Jack L. Stahley Trust Dated June 28, 2011**
Additional Information

Dear Sir or Madam:

One of the beneficiaries has requested additional information concerning the trustee administration fee, other trust administration expenses, and the recent sale of the condominium. Enclosed in response to that request are the following documents:

- A two-page worksheet from the trustee,
- The two-page HUD-1 statement for the sale of the condominium, and
- A six-page appraisal for the condominium.

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HFC 000013

Trust Beneficiaries
February 14, 2013
Page 2

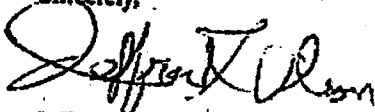
Regarding the trustee administration fee, Paragraph J of Article VII of the trust agreement provides for reasonable compensation to be paid to the trustee for his services. (See page 10.) Virgil Meads, the deceased's long-time accountant, has recommended 3.5% of trust assets under management as a reasonable fee for the trustee's services.

Regarding the other trust administration expenses, these are set forth on page two of the trustee's worksheet. The largest item, "Personal/Travel Expenses," pertains to nearly a dozen trips the trustee had to make to Hawaii to manage and dispose of his father's trust assets located there.

Regarding the condominium, the trustee initially listed it for sale at \$399,500. This price was established in consultation with the realtor and was based on the listing prices of similar units that were for sale in the area. However, this price turned out to be far too optimistic given the current real estate market in Hawaii. The ultimate buyers of the condominium initially offered to pay only \$280,000. The trustee said this price was too low. The buyers then said they would go as high as \$300,000, but only if an appraisal would support that figure as they were relying upon bank financing for the bulk of their purchase price. As you will see from the included appraisal, the condominium was indeed worth only \$300,000. In fact, the trustee's realtor just informed him that an identical condominium in the complex just sold for only \$230,000.

As always, if you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,



Jeffrey L. Olson

Enc.

CC: Jeffrey E. Stahley, Trustee

ATT00001
Trust Asset Statement for 1/25/2013

- + \$280,029 Net proceeds from condo
- + \$273,546 LPL investment account
- + \$25,190 personal cash account
- + \$22,000 Pacific Life income
- + \$14,500 2008 Chevy Malibu
- + \$8,929 CHI 2012 Dividend
- + \$2,116 personal property

= \$626,310 net assets administered as of 1/25/2013

- \$21,920 trustee administration fee
- \$300,000 gift payments (12 x \$25,000)
- \$47,155 All expenses 1/27/12 to 1/25/13

= \$257,235 Trust checking account balance
- \$5,000 Trust checking account reserve

\$252,235 balance to be paid

Payment schedule
50% to Hawaii Community Foundation = \$126,117.50
5 equal shares of remainder = \$25,223.50

Assets remaining in Trust

\$139,317 Pacific life Annuity (pre tax)
\$228,375 CHI Funds Real Estate loans
\$5,000 Trust Checking account reserve

ATT00001

Trust Expenses Overview for 1/25/2013

| Estate expenses | |
|----------------------------------|--------|
| Funeral/Burial = | \$4400 |
| Regency Huleia \$528.00 x 13 = | \$6864 |
| Oceanic Cable \$93.00 x 13 = | \$1209 |
| Puhi water/sewer \$54.00 x 13 = | \$702 |
| Kauai Island utility \$94 x 13 = | \$1222 |
| Hawaiian Telcom \$53 x 13 = | \$689 |
| Fed tax 2011 = | \$1351 |
| HA tax 2011 = | \$1660 |
| Virgil Meads = | \$875 |
| Cabo Villas = | \$938 |
| Pueblo Bonito = | \$1630 |
| State Farm Ins. = | \$1032 |
| Jeff Olson = | \$5000 |
| Condo carpet = | \$4600 |
| Condo repairs and cleaning = | \$1851 |
| Property tax 2011 = | \$968 |
| Auto licence fee | \$201 |

Total = \$35,192
Personal/Travel Expenses = \$11,963

All Expenses 1/27/12 to 1/25/13 = \$47,155



A. Settlement Statement (HUD-1)



OMB Approval No. 2502-0065

| | | | |
|---|--|---|--------------------------------|
| B. Type of Loan | | | |
| 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> RHS | 3. <input checked="" type="checkbox"/> Conv. Unins. | 6. File Number: 24212017128 |
| 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> Conv. Ins. | | 7. Loan Number: 3179589 |
| B. Mortgage Insurance Case Number | | | |
| C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "To a/c" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. | | | |
| D. Name and Address of Borrower: JOEY SPILLYARDS AND TRISTA SPILLYARDS 401 PAPALOA RD. APT 606 KAPAA, HI 96745 | | E. Name and Address of Seller: JEFFREY STANLEY, SUCCESSOR TRUSTEE OF THE JACK L. STANLEY TRUST, 2053 TULAWATER ST WESTERN OR 97068 | |
| F. Name and Address of Lender: BANK OF HAWAII 4421 KUKUI GROVE ST LIHUE, HI 96756 | | | |
| G. Property Location: 2110 KAHIEKA ST. APT 17 LIHUE, HI 96756-8011 | | H. Settlement Agent: TITLE GUARANTY ESCROW SERVICES, INC. 235 QUEEN STREET HONOLULU, HI 96813 I. Settlement Date: JANUARY 18, 2013 | |
| Place of Settlement: PRINCEVILLE OFFICE 5-4280 KUHIO HIGHWAY SUITE G-202 PRINCEVILLE, HI 96722 | | | |

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower

101. Contract sales price

102. Personal property

103. Settlement charges to borrower (line 1400)

104.

105.

Adjustments for items paid by seller in advance

106. City/Town taxes

107. County taxes

108. Assessments

109. AOAD Dues January

110.

111.

112.

120. Gross amount due from Borrower

200. Amounts Paid by or in Behalf of Borrower

201. Deposit of earnest money

202. Principal amount of new loan(s)

203. Existing loan(s) taken subject to

204. Application Deposit to Lender

205.

206. Seller Reimburse for Owner's Title Insurance

207.

208. Seller Reimburse for Escrow Fee

209. Seller Reimburse for Transfer Tax

Adjustments for items unpaid by seller

210. City/Town taxes

211. County taxes

212. Assessments

213.

214.

215.

216.

217.

218.

219.

220. Total paid by/for Borrower

300. Cash at Settlement from/to Borrower

301. Gross amount due from Borrower (Line 120)

302. Less amount paid by/for Borrower (Line 220)

303. CASH FROM BORROWER

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller

401. Contract sales price

402. Personal property

403.

404.

405.

Adjustments for items paid by seller in advance

406. City/Town taxes

407. County taxes 01/18/13 to 07/01/13 1 P.D. 16.24

408. Assessments

409. AOAD Dues January 01/18/13-02/01/13

410.

411.

412.

420. Gross amount due to Seller

500. Reductions in Amount Due to Seller

501. Excess deposit (see instructions)

502. Settlement charges to seller (line 1400)

503. Existing loan(s) taken subject to

504. Payoff of first mortgage loan

505. Payoff of second mortgage loan

506. Seller Reimburse for Owner's Title Insurance

507. Dep. disbursed as proceeds

508. Seller Reimburse for Escrow Fee

509. Seller Reimburse for Transfer Tax

Adjustments for items unpaid by seller

510. City/Town taxes

511. County taxes

512. Assessments

513.

514.

515.

516.

517.

518.

519.

520. Total reduction amount due Seller

600. Cash at Settlement from/to Seller

601. Gross amount due to Seller (Line 420)

602. Less reductions due Seller (Line 520)

603. CASH TO SELLER

Previous editions are obsolete.
24212017128 02/10

Actual Deposit at Closing = 9280,028.64 1/18/13
STATEMENT IS CONTINUED ON PAGE 2 ATTACHED TO THIS PAGE

Printed on 1/14/2013
Page 1

HFC 000017

| Settlement Charges | | | | Paid From Donor's Funds at Settlement | Paid From Seller's Funds at Settlement |
|--|--------------------------------------|---------------------|----------------|--|---|
| 700. Total Real Estate Broker Fees | | \$15,000.00 | | | |
| Division of commission (line 700) as follows: | | | | | |
| 701 \$ 9,000.00 | to KAUAI REALTY INC | | | | |
| 702 \$ 6,000.00 | to COLDWELL BANKER MAKAII PROPERTIES | | | | |
| 703. Commission paid at settlement | | | | | 15,000.00 |
| 704. | | | | | |
| 800. Items Payable in Connection with Loan | | | | | |
| 801. Our origination charge | | | (from GFE #1) | | |
| 802. Your credit charge (points) for the specific interest rate chosen | | | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | (from GFE #3A) | | |
| 804. Appraisal fee to Sara A Thompson | | | (from GFE #3) | | |
| 805. Credit report to CoreLogic Credit | | | (from GFE #3) | | |
| 806. Tax service to CoreLogic Tax Services | | | (from GFE #3) | | |
| 807. Flood certification to CoreLogic Flood Services | | | (from GFE #3) | | |
| 808. | | | | | |
| 900. Items Required by Lender to be Paid in Advance | | | | | |
| 901. Interest from | to | @ \$ | /day | (from GFE #10) | |
| 902. Mortgage insurance premium for | month to | | | (from GFE #3) | |
| 903. Homeowner's insurance for 1.0 year to | State Farm | | | (from GFE #11) | |
| 904. | for year to | | | | |
| 1000. Reserves Deposited with Lender | | | | | |
| 1001. Initial deposit for your escrow account to BANK OF HAWAII | | | (from GFE #9) | | |
| 1002. Homeowner's insurance | months @ \$ | per month | | | |
| 1003. Mortgage insurance | months @ \$ | per month | | | |
| 1004. Property taxes | months @ \$ | per month | | | |
| 1005. | months @ \$ | per month | | | |
| 1006. | months @ \$ | per month | | | |
| 1007. Aggregate Adjustment | | | | | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance to TITLE GUARANTY C | | | (from GFE #4) | | |
| 1102. Settlement or closing fee to TITLE GUARANTY ESCROW SERV | | | | | 591.14 |
| 1103. Owner's Policy Premium to TITLE GUARANTY OF HAWAII INC | | | (from GFE #5) | | |
| 1104. Loan Policy Premium to TITLE GUARANTY OF HAWAII INC | | | | | |
| 1105. Lender's title policy limit | | | | | |
| 1106. Owner's title policy limit | | | | | |
| 1107. Agent's portion of the total title insurance premium to TITLE GUARANTY OF HAWAII | | | | | |
| 1108. Underwriter's portion of the total title insurance premium to FIRST AMERICAN T | | | | | |
| 1109. Attorney Doc Prep Fee to BELLES GRAHAM PROUDFOOT NWL | | | 9504 | | 546.84 |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges to REGISTRAR OF CONVEYANCE | | | (from GFE #7) | | |
| 1202. Deed \$ 50.00; Mortgage \$ 35.00; Release \$ | | | | | |
| 1203. Transfer taxes to REGISTRAR OF CONVEYANCE | | | (from GFE #8) | | |
| 1204. City/County tax/stamps | Deed \$ | Mortgage \$ | | | |
| 1205. State tax/stamps | Deed \$ | 300.00; Mortgage \$ | | | |
| 1206. Petition Recording Mortgage \$25.00 | | | | | 25.00 |
| 1207. Petition Filing Other \$34.00 | | | | | 34.00 |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for | | | (from GFE #6) | | |
| 1302. Home Inspection to SOUTHSORE HOME SERVICE | | | | | |
| 1303. AOAO TRANSFER FEE to HAWAIIANA MANAGEMENT CORP. | | | | | |
| 1304. AOAO Dues February to REGENCY HULEIA LLC | | | | | |
| 1305. Termite Inspection to ALCHA TERMITES KAUAI INC | | | 175202 | | 312.48 |
| 1306. AOAO Est. Water Charges to REGENCY HULEIA LLC | | | 2609-117 | | 25.00 |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | | 16,534.44 |

HERC-13110410

FILED 6-17-2022

Fredda Mac Form 466 March 2005

Individual Condominium Unit Appraisal Report

JAGRC-13118410
File # S-421202

Describe the condition of the project and quality of construction. The condominium project was constructed in 2008 and units appear to be well maintained from the exterior. The construction consists of concrete tile roofs and stone exterior siding and overall quality of construction is considered good. Units have average market appeal. For Mountain Area, of the HOA they are in the final phase of reviews as part of their regular maintenance.

Describe the common elements and associated facilities. Per our onsite observation, the common elements include: a swimming pool and indoor outdoor shower area, storage areas, mail box center and grounds.

Are any common elements listed to or by the Homeowners' Association? ☐ Yes ☒ No If Yes, describe the special items and systems.

Is the project subject to a ground rent? ☐ Yes ☒ No If Yes, \$ _____ per year (Describe terms and conditions)

Are the parking facilities adequate for the project size and type? ☒ Yes ☐ No If No, describe and comment on the effect on value and marketability.

☐ I did ☒ did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. The condominium project budget was not provided to the appraiser. For Mountain Area of Homeowners, budget reserves meet State requirements.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? ☒ Yes ☐ No If Yes, report the charges and describe. The HOA fees for the subject property include fees for reserves. For additional services, there are also monthly fees which will cover some for private access and is estimated at \$49 per month per MLS portfolio. For Mountain area, the subject unit is also billed for individual water consumption. Compared to other comparable projects of similar quality and design, the subject unit charge appears ☐ High ☒ Average ☐ Low If High or Low, describe.

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? ☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.

Unit Charge \$ 526 per month X 12 = \$ 6,312.00 per year Annual assessment charge per year per square foot of gross built area = \$ 6.02

Utilities included in the unit monthly assessment: ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☒ Other (describe)

Maintenance fees include "common element" water and sewer.

| General Description | Interior | Exterior/Association | Appliances | Car Garage |
|---------------------------|---------------|------------------------|---------------|--|
| Floor # | Floor | Carport/Fat/Tile/Avg | Refrigerator | None |
| # of Levels | 2 | On-street Street/Drive | Range/Oven | None |
| Heating Type | None | Wood/Average | Hot Water | None |
| Central AC | Individual AC | None | Washer/Dryer | None |
| Other Heating | None | None | Washer/Dryer | None |
| Finished area above grade | 4 Rooms | 2 Bedrooms | 2.1 Bathrooms | 1.201 Square Feet of Gross Living Area Above Grade |

Are the heating and cooling for the individual units separately metered? ☒ Yes ☐ No If No, describe and comment on compatibility in other projects in the market area.

Additional features (special energy efficient items, etc.) Vaulted ceiling, electric tile flooring in kitchen, living room and master bedroom, shower, master.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4-No updates in the prior 15 years. The subject was built in 2008 and is in average overall condition. The subject has a stainless steel refrigerator and the floor in the kitchen, living room and master bedroom has been tiled. The condition of the flooring is taken into consideration under our "condition" adjustments when comparing the subject unit with the comparable units.

Are there any physical deficiencies or adverse conditions that affect the usability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe.

Does the property generally conform to the neighborhood functional utility, style, condition, use, construction, etc.? ☒ Yes ☐ No If No, describe.

☒ I did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain.

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s): Hawaii Information Services - TMK Data Records.

My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s): Hawaii Information Services - TMK Data Records.

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

| ITEM | SUBJECT | COMPARABLE SALE #1 | COMPARABLE SALE #2 | COMPARABLE SALE #3 |
|----------------------------------|------------------|--------------------|--------------------|--------------------|
| Date of Prior Sale/Transfer | 07/28/2011 | 01/20/2012 | | |
| Prior Sale/Transfer Price | \$2 | \$275,000 | | |
| Data Source(s) | TMK Data Records | TMK Data Records | TMK Data Records | TMK Data Records |
| Effective Date of Data Source(s) | 12/13/2012 | 12/13/2012 | 12/13/2012 | 12/13/2012 |

Analysis of prior sale or transfer history of the subject property and comparable sales. The subject previously "transferred" as noted above. Comp #1 previously sold as an REO on 01/20/2012. It was then updated including new carpet, paint, stainless steel appliances and new fixtures. Comparables #2 and #3 have not previously sold/transfered within the prior year from date of current sale. The reported effective date of data source(s) in the data was checked said correct. (For the Hawaii Information Service (HIS), the MLS is updated daily by members and the TMK Data Records are updated daily, though it may take up to two weeks for dates of information to be reported by the Bureau of Conveyances to HIS.)

Individual Condominium Unit Appraisal Report

MERC-13110410

File # S-121202

| | | | |
|--|--|---|--|
| There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 313,896 to \$ 313,896 | | There are 7 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 300,000 to \$ 350,000 | |
| FEATURE | | SUBJECT | |
| Address and 2110 Kaneohe St | | 2110 Kaneohe St | |
| Unit # 17, Lhasa, HI 96768 | | 17, Lhasa, HI 96768 | |
| Project Name and Regency Halea | | Regency Halea | |
| Phase 1 | | 1(4) 3-3-48-11 | |
| Proximity to Subject | | 0.05 miles NW | |
| Sale Price \$ 300,000 | | \$ 300,000 | |
| Sale Price/Gross Liv. Area \$ 237.91/sq. ft. | | \$ 240.35/sq. ft. | |
| Days on Market | | 115-148/258/200/DOA 0 | |
| Verification Source(s) | | MLS/TRA/A-MT/Acct(100% S/L) | |
| VALUE ADJUSTMENTS | | DESCRIPTION +(-)\$ Adjusted | |
| Sales or Financing Concessions | | Arml/Ln Conv/0 | |
| Date of Sale/Title | | 8/10/12-09/12 | |
| Location | | B-PART Grmbk N-Ross | |
| Leasehold Fee Simple | | Fee Simple | |
| HSA No. Assessment | | 628 | |
| Common Elements and Rec. Facilities | | Pool, Mail Box, Jacuzzi, BBQ | |
| Floor Location | | 1(Corner) | |
| View | | N-Ross, Pt Grmbk | |
| Design (Style) | | Townhouse | |
| Quality of Construction | | Q4 | |
| Actual Age | | 7 | |
| Condition | | C4 | |
| Above Grade | | Total (Sq. Ft.) 4 2 2.1 | |
| Below Grade | | Total (Sq. Ft.) 4 2 2.1 | |
| Gross Living Area | | 1,281 sq. ft. | |
| Resistant & Finished Floors Below Grade | | 0/sf | |
| Functional Utility | | Adequate | |
| Heating/Cooling | | None/None | |
| Energy Efficient Items | | None | |
| Garage/Carport | | 1 Car | |
| Porch/Patio/Deck | | 710/Pat/575St | |
| Furniture | | Assumed Unfurn. | |
| Net Adjustment (Total) | | 1 + (-) - \$ -5,000 | |
| Adjusted Sale Price of Comparables | | Gross Adj. 11.5% \$ 300,000 | |
| Summary of Sales Comparison Approach | | The appraiser's MSLS parameters began with a search of all condo sales located in the subject's immediate surrounding area of influence, within 25% of A, that are of similar age and condition that sold within the past year. There have been 0 sales within the subject's project, three of which are older REO sales and a Short Sale. The more current sales are same-length and were utilized in our report. A similar search for relevant listings revealed limited inventory. It appears that REO "inventory" has softened. | |
| (Refer to the Sales Comparison Analysis in the attached Addendum.) | | | |
| Indicated Value by Sales Comparison Approach \$ 300,000 | | | |
| Estimated Monthly Market Rent \$ 1800 | | X Gross Rent Multiplier 185 = \$ 298,000 | |
| Summary of Income Approach (including support for market rent and GRM) | | The Income Approach is given less weight due to the difficulty in extracting a GRM from a recent sale. We have estimated the GRM based on a market rental survey and an analysis of the most relevant sales utilized in our report. | |
| Indicated Value by Income Approach \$ 298,000 | | | |
| The Cost Approach was not utilized due to the difficulty and unreliability of allocating the percentage of common and recreation area costs to individual units. After analyzing the three approaches to value, it is the appraiser's opinion that the Sales Comparison Analysis is considered to be the best indicator of market value for the subject property because it best reflects the actions of the buyers and sellers within this market. | | | |
| PRIOR SERVICES | | | |
| I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. | | | |
| This appraisal is made () "as is," () subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, () subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or () subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. | | | |
| Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my best opinion of the market value, as defined, of the real property that is the subject of this report is \$ 300,000 as of 12/13/2012, which is the date of inspection and the effective date of this appraisal. | | | |

Individual Condominium Unit Appraisal Report

MERC-13119410
File # 3-121302

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Individual Condominium Unit Appraisal Report

LAERC-19110410
Rev 8-121202

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Individual Condominium Unit Appraisal Report

MERC-13119410
Rev 6-12-2003

21. The lender/client may disclose or distribute this appraisal report to the borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, other secondary market participants, data collection or reporting services, professional appraisal organizations, any department, agency, or instrumentality of the United States, and any state, the District of Columbia, or other jurisdictions without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature *Sara A. Thompson*
Name Sara A. Thompson
Company Name doc Sara A. Thompson
Company Address P.O. Box 223582
Phoenix, AZ 85072
Telephone Number (602) 928-7522
Email Address sara@doc-sara.com
Date of Signature and Report 12/20/2012
Effective Date of Appraisal 12/13/2012
State Certification # CRA 6000783
or State License # _____
or Other (describe) _____ State # _____
State AZ
Expiration Date of Certification or License 12/31/2019

ADDRESS OF PROPERTY APPRAISED

2118 Karna St
17, Lave, HI 96768

APPRAISED VALUE OF SUBJECT PROPERTY \$ 300,000

LENDER/CLIENT

Name ABC
Company Name Bank of Hawaii
Company Address 130 Merchant St, Ste 230, Honolulu, HI 96813
Email Address sara@doc-sara.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

February 6, 2013

Via first class mail

Jeffrey Olson
Attorney at Law
1426 Greentree Circle
Lake Oswego, OR 97034

RE: Jack L. Stahley Living Trust dated June 28, 2011.

Mr. Olson,

Thank you for sending the letter accounting for the trust dated January 22, 2013. After reviewing that accounting, I am requesting a more thorough and detailed accounting pertaining to the "Trustee administration fee" and "Other trust administration expenses". It would also be helpful to review the HUD Settlement Statement from the sale of the condominium, as the sale resulted in a sum well short of the figure Jeff had previously valued it at. Please provide these to me at your very earliest convenience.

In addition to the letter accounting, I also received your litigation solicitation letter dated January 29, 2013. By that letter I understand that Jeff has asked you to investigate and/or pursue a contest to the gift left to the Hawaii Community Foundation. I cannot support this proposed action. Contrary to what your letter suggests, I know based upon my personal conversations with both my mother and Jack (before my mother's passing), and those many conversations I had with Jack (following my mother's passing) that leaving a fund to the children in Hawaii was their intent. This was an intent that Jack expressed to me several times, even after my mother had passed. This intent was declared well before the "new" trust agreement was created in June 2011.

I do not believe the gift left to the Hawaii Community Foundation was by undue influence or self-dealing action by the attorney whom drafted the trust agreement. As I understand it, the attorney is simply a member of the organization, and has personally gained nothing. However, the children of Hawaii now will have another scholarship fund from which to receive support from, this seems to ring true to the intent described to me by Jack. I cannot support this proposed litigation, and will be more than happy to share my knowledge of the matter with the Hawaii Community Foundation if Jeff pursues the matter.

Sincerely,

Brent J. Parries

Jeffrey L. Olson

Attorney at Law

March 6, 2013

Hawaii Community Foundation
4139 Hardy Street, Suite C
Lihue, HI 96766

Re: **Jack L. Stahley Trust Dated June 28, 2011**

Dear Sir or Madam:

As you know, Jack L. Stahley died on January 27, 2012 and left behind a trust. His trust agreement provides remainder gifts for several individuals as well as the Hawaii Community Foundation. Specifically, beginning at the bottom of page 3 of the trust agreement, Paragraph A of Article II reads as follows:

and the remainder as follows:

FIFTY PERCENT (50%) to JILL L. RYLANDER, JEFFREY L. STAHLEY, JOY M. STAHLEY, BRENT J. PARRIES, and CATHY A. RIES, or to the survivor(s) of them, in equal shares, intentionally omitting BRADLEY PARRIES who has been given much during my lifetime without appreciation; and

FIFTY PERCENT (50%) to the HAWAII COMMUNITY FOUNDATION to establish a permanent fund to be known as the *JACK L. STAHLEY FUND* (the "Fund") for the purpose of: 1) Supporting and inspiring young people, especially those at-risk or underprivileged, to realize their full potential, build confidence, develop character, teamwork and leadership skills through sports and other youth programs and 2) To provide post-high school educational opportunities and scholarships for underprivileged students of merit.

1426 Greentree Circle, Lake Oswego, Oregon 97034
503-635-9696 • Fax 503-635-9699 • olson.jeff@mac.com

HFC 000026

Hawaii Community Foundation

March 6, 2013

Page 2

While a gift from an individual to the Hawaii Community Foundation might otherwise be charitable and meritorious, it is problematic in this particular case.

First, Nancy J. Budd was the lawyer who drafted the trust agreement. Ms. Budd is not only a member of the Hawaii State Board of Education and director of the Hawaii Justice Foundation, she is also a member of the Kauai Leadership Council of the Hawaii Community Foundation. Importantly, at the time she drafted the trust agreement, she was a member of the Hawaii Community Foundation. Consequently, the gift to the Hawaii Community Foundation smacks of unethical self-dealing.

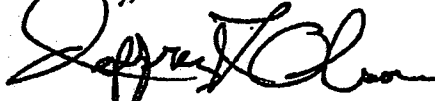
Second, at the time Mr. Stahley executed the trust agreement that Ms. Budd had prepared, he was 75 years of age, alone, and in declining health. Indeed, he died just several months later. He was, unfortunately, subject to the undue influence of others, including Ms. Budd. According to Mr. Stahley's long-time tax preparer, Virgil Meads, Mr. Stahley never mentioned the Hawaii Community Foundation and never made any charitable contributions to it during his lifetime. Neither did Mr. Stahley's deceased wife, Betty. Furthermore, Mr. Stahley never mentioned the Hawaii Community Foundation to his children, step-children, friends, or long-time financial advisor.

Under ORS 130.175, "A trust is void to the extent the creation of the trust was induced by fraud, duress or undue influence." Please be advised that, pursuant to ORS 28.040, the trustee of the Jack L. Stahley Trust intends to seek a declaratory judgment from the Clackamas County Circuit Court concerning the gift to the Hawaii Community Foundation.

If you would like to discuss this matter with me prior to the trustee commencing his legal action, please do so within 10 days of receipt of this letter.

Thank you.

Sincerely,



Jeffrey L. Olson

CC: Jeffrey E. Stahley, Trustee

From: Evie Carranza
Sent: Monday, March 18, 2013 3:54 PM
To: 'olson.jeff@mac.com'
Cc: Kate Lloyd
Subject: Jack L. Stahley Trust

Mr. Olson,

In the interest of expediency, we are emailing you a letter in response to your letter dated March 6, 2013 regarding the Jack L. Stahley Trust. An original letter is also being mailed to you.

Mahalo!

Evie Carranza sent on behalf of Kate Lloyd

Evie R. Carranza
Executive Assistant, General Counsel & Vice-President, Operations
Hawai'i Community Foundation
827 Fort Street Mall | Honolulu, HI 96813-4317
o: (808) 537-6333 | d: (808) 566-5526 | f: (808) 566-5578
Connecting people who care with causes that matter



HAWAII COMMUNITY FOUNDATION

March 18, 2013

Mr. Jeffrey L. Olson
1426 Greentree Circle
Lake Oswego, Oregon 97034

Re: Jack L. Stahley Trust

Dear Mr. Olson:

This letter is in response to your letter dated March 6, 2013 regarding the Jack L. Stahley Trust. You indicate in your Letter that the Trustee of the Jack L. Stahley Trust intends to seek a Declaratory Judgment in an Oregon State Court challenging a charitable gift to the Hawaii Community Foundation. Your Letter asserts that under Oregon law the gift to the Hawaii Community Foundation is somehow invalid. You can understand our surprise at receiving the Letter when we have been receiving notifications from you for almost a year as a beneficiary of the Trust, including most recently, an accounting of expenses.

We understand the Trustee of the Trust is the late Mr. Stahley's son, Jeffrey L. Stahley. As you know, trustees are under a duty to administer a trust in accordance with the stated intent of the settlor as set forth in the trust instrument and consistent with applicable law. In addition, a trustee has a duty of loyalty to all beneficiaries that includes a duty to deal impartially with all beneficiaries.

The Trust clearly and unequivocally provides for the gift to the Hawaii Community Foundation of a 50% interest in the remainder of Trust assets after certain specific bequests. We note that Jeffrey L. Stahley is also co-beneficiary of the Trust and in fact, one of five beneficiaries of the other 50% remainder interest in the Trust. It is clear the interests of Jeffrey L. Stahley as beneficiary conflicts with his duties as a Trustee to deal impartially with all beneficiaries. Please clarify whether the statements and assertions in your Letter regarding the possible invalidity of the gift to the Hawaii Community Foundation are on behalf of Jeffrey L. Stahley in his capacity as a beneficiary or as Trustee. We assume that you represent Jeffrey L. Stahley only in his fiduciary capacity and are aware of both his and your obligations to all beneficiaries of the Trust. How does Mr. Stahley intend to deal with his irreconcilable conflict in this purported legal action?


We would also like to correct a few factual inaccuracies in the Letter. Ms. Budd is not a "member" of the Hawaii Community Foundation as we are a non-member nonprofit corporation under the laws of the State of Hawaii. Nor is Ms. Budd a current or former officer or director of the Hawaii Community Foundation. Ms. Budd has no legal duties to the Foundation that might have somehow interfered with her representation of the late Mr. Stahley. Ms. Budd is currently, and has served in the past, as a member of HCF's Kauai Island Leadership Council, which, as noted in HCF's most recent annual report, is composed of "community-minded volunteers." Ms. Budd serves as a member of Hawaii's State Board of Education and has served on other private nonprofit organization boards like other active community volunteers. We simply do not understand your assertions in the Letter that the generous gift by the late Mr. Stahley is a result of "unethical self-dealing."

Mr. Jeffrey L. Olsen
March 15, 2013
Page 2

In summary, we do not understand the basis for any form of legal action since the Trust language is clear and provides for a valid charitable gift to the Hawaii Community Foundation to support underprivileged youth. Further, we object to any legal action being taken in Oregon as the Trust Agreement also makes clear that the laws of the State of Hawai'i apply to this Trust notwithstanding the fact that the principal place of administration was changed to Oregon. Finally, we bring to your attention to the fact that the Attorney General of the State of Hawaii, in his capacity as *parens patriae* would likely be an interested party in any proceeding challenging the validity of a charitable bequest to a Hawaii charitable organization.

We await your reply and look forward to the Trustee's timely distribution of assets as contemplated by the Trust to establish the Jack L. Stahley Fund at the Hawaii Community Foundation.

Sincerely,



Katharine Lloyd, Esq.
General Counsel and VP of Operations

KHT/etc

Enclosure

Cc: Jeffrey S. Piper, Esq.



Steve Owen <steveowenattorney@gmail.com>

Stahley Trust: Fwd: CHI Real Estate Income Equity Funds and Trust Tax Return1 message

Jeffrey L. Olson <olson.jeff@mac.com>

Mon, Aug 5, 2013 at 8:58 AM

To: Beau Ellis <beau@daylawpc.com>, Debbie Hoesly <debbie@hoeslylaw.com>, steveowenattorney@gmail.com, wkeeler Keeler <wkeeler@gsblaw.com>

Cc: Jeff Stahley <jeff.stahley@yahoo.com>

Counsel,

Below is an email from Mr. Stahley's tax preparer.

Just FYI.

-Jeff

Begin forwarded message:

From: Robert H. Betts LLC <rbetts.tax@comcast.net>**Subject:** CHI Real Estate Income Equity Funds and Trust Tax Return

The following has been sent as general information regarding the CHI funds that were inherited by the Jack Stahley Trust Dated 6/28/11. This information was confirmed with Susan Schweikert, President, CHI Investment Corporation. This information is provided to give you a better understanding of the potential value of these funds in the future.

The \$228,375 shown in the Estimate of Trust Assets is as of the date of your father's death, and was prepared by Jeffrey Olson. It is described as "real estate loans, outstanding principal, non-cash". This valuation cannot be used to determine any future return of principal or distribution to the Trust or Beneficiaries. It is purely a valuation of remaining principal at time of death. Nor is it used to determine potential future tax impacts to the Trust or any of the Trust's Beneficiaries as a result of any income, deductions, or distributions from these partnership interests. Those impacts will be determined each year based upon the K-1's received for that tax year. Additionally as a result of your father realizing tax benefits in the early years of these funds and during his lifetime, these funds may deliver less favorable tax consequences in remaining years.

As an example of my point above, remaining properties financed by any of the CHI partnerships in which the Trust holds units, may be sold at a loss. In this case partnership unit holders may receive a reduced amount of return of principal, or potentially no return of principle.

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Also to note, properties within a particular partnership will be sold at different times, potentially over several years. It is a probability that these partnership interests may continue for at least 6 years.

To continue with the first year tax return for the Trust, it will be necessary to receive the social security number or tax id of all beneficiaries named in the Jack L. Stahley Trust Dated June 28, 2011. I also have a list of mailing addresses for each of the 18 beneficiaries taken from the January 22, 2013 letter of Updated Accounting and Status of Trust Administration from Jeffrey Olson. If there is any change to this list of addresses, please advise so I have the correct information for the tax return.

Thank you.

Bob

Robert H. Betts LLC
Licensed Tax Consultant (28968-C)
Enrolled Agent (101017-EA)
Phone (503) 780-4143
Fax (503) 214-6191
www.rhbettstax.com
Email: rbetts.tax@comcast.net

To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Jeffrey L. Olson
Attorney at Law
1426 Greentree Circle
Lake Oswego, OR 97034
Tel 503-635-9696
Fax 503-635-9699

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| Date | Description | Hours | Personal \$ | Trust \$ | Trust Bal. |
|---------|--|-------|-------------|--------------|------------|
| 2/11/12 | Exchange email with client | 0.1 | | No charge | |
| 2/13/12 | Exchange email with client; call with client | 0.2 | | No charge | |
| 2/14/12 | Meet with client to discuss probate and trust administration issues pertaining to father's estate and to execute affidavit for collection of personal property of decedent; set up file; notes to file | 1.2 | | \$300.00 | |
| | Execute client's will | 0.2 | \$50.00 | | |
| | Witness fee (Stout Executive Services) | | \$10.00 | | |
| | Personal MasterCard retainer—thank you | | | (\$1,000.00) | |
| | Exchange email with client re trying to open a trust account | 0.2 | | \$50.00 | |
| 2/20/12 | Exchange email with client; review file; meet with client | 0.8 | | \$225.00 | |
| 3/8/12 | Exchange email with client | 0.1 | | \$25.00 | |
| 3/12/12 | Meet with client | 1.1 | | \$275.00 | |
| 3/27/12 | Exchange email with client's sister, Jill Rylander | 0.1 | | \$25.00 | |
| 4/3/12 | Exchange email with client | 0.1 | | \$25.00 | |
| 4/5/12 | Retainer from trust—thank you | | | (\$2,000.00) | |
| 4/10/12 | Legal research re changing principal place of trust administration; carefully review both forms of trust agreement; prepare notes to file; call to client; prepare draft notice of intent to transfer principal place of trust administration; email same to client for review and comment | 1.9 | | \$475.00 | |
| | After hours: exchange email with client | 0.2 | | \$50.00 | |
| 4/11/12 | Call with client | 0.4 | | \$100.00 | |
| | Finalize and print multiple copies of notice of intent to transfer principal place of administration along with multiple envelopes; sign and mail same to multiple recipients, including client | 0.4 | | \$100.00 | |
| | Postage | | | \$8.10 | |
| 4/13/12 | Call with client re status and whether it is possible to move more assets to Oregon | 0.3 | | \$75.00 | |
| 4/16/12 | Receive and note returned envelopes that had been sent to Jessica Parries and Brent J. Parries; exchange email with client re same | 0.2 | | \$50.00 | |
| | After hours: exchange email with client | 0.1 | | \$25.00 | |
| 4/17/12 | Re-mail returned envelopes to Brent Parries | 0.1 | | \$25.00 | |
| | Postage | | | \$0.45 | |
| 4/23/12 | Receive and note returned envelope sent to Briann; forward same to Brent Parries at corrected address; review file | 0.2 | | \$50.00 | |
| | Postage | | | \$0.45 | |
| 6/17/12 | Exchange email with client | 0.1 | | \$25.00 | |
| 5/30/12 | Review file; prepare email to client re status of Silvermans and grandchild | 0.1 | | \$25.00 | |
| 6/8/12 | Exchange email with client | 0.1 | | \$25.00 | |
| 6/15/12 | Exchange email with client | 0.1 | | \$25.00 | |

| | | | | |
|----------|--|-----|--|--------------|
| 6/18/12 | Prepare for meeting with client; meet with client re next steps; notes to file | 1.4 | | \$350.00 |
| 6/19/12 | Work on draft of letter to beneficiaries setting out accounting and status report on behalf of trustee | 1.0 | | \$260.00 |
| 6/20/12 | Complete draft of accounting and status report letter; review UTC statutes re informing and reporting duties; email copy of draft letter to client for review and comment; exchange email with client re same | 0.8 | | \$200.00 |
| 7/9/12 | Exchange email with client | 0.1 | | \$25.00 |
| 7/11/12 | Receive and note trust estate accounting from client; review same | 0.1 | | \$25.00 |
| | Revise accounting and status report letter to beneficiaries based on client's accounting; email same to client for review and comment; exchange email with client re same; finalize, print, and sign letter; prepare 18 copies of letter and trust agreement; prepare and stuff 18 envelopes with copies of letter and trust agreement; deliver envelopes to post office for mailing to client and 17 other recipients | 2.0 | | \$500.00 |
| | Postage | | | \$15.30 |
| | Retainer from trust—thank you | | | (\$2,000.00) |
| 7/30/12 | Exchange email with client; review trust agreement and letter sent to beneficiaries re \$25,000 gifts | 0.4 | | \$100.00 |
| 7/31/12 | Review trust agreement; prepare draft of receipt for \$25,000 gifts; email same to client for review and use | 0.5 | | \$125.00 |
| 8/6/12 | Exchange email with client; review trust agreement re paying out gifts early for educational expenses | 0.3 | | \$75.00 |
| 8/14/12 | Exchange email with Jessica Parries and client re whale necklace | 0.1 | | \$25.00 |
| 11/16/12 | Review trust agreement; exchange email with client re status as well as need for agreements when ready to distribute remainder between those willing to contest the bequest to the foundation and those not willing to do so | 0.3 | | \$75.00 |
| 1/10/13 | Review file in anticipation of sale of condo and contest with foundation | 0.1 | | \$25.00 |
| 1/17/13 | Prepare email to client re status | 0.1 | | \$25.00 |
| 1/20/13 | Exchange email with client; review file | 0.2 | | \$50.00 |
| 1/21/13 | Exchange email with client; meet with client | 1.2 | | \$300.00 |
| 1/22/13 | Prepare email letter to Jill Rylander and Joy Stahley, with copy to client, outlining proposal for contesting 50% remainder gift to Hawaii Community Foundation; exchange email with client; call with client; prepare draft of updated accounting and status report; email same to client for review and comment; exchange email with client re same; calls with client re same; exchange email with ; finalize accounting; print, sign, and mail same to 18 recipients; copy to file | 3.5 | | \$875.00 |
| | Postage | | | \$8.10 |

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|---------|---|-----|--|--------------|
| 1/28/13 | Exchange email with client | 0.1 | | \$25.00 |
| 1/29/13 | Prepare letter to Brent Parries and Cathy Ries; mail copy to client | 0.4 | | \$100.00 |
| | Postage | | | \$1.35 |
| 1/30/13 | Exchange email with Cathy Ries and client | 0.5 | | \$125.00 |
| 2/6/13 | Exchange email with Cathy Ries and client | 0.2 | | \$50.00 |
| 2/11/13 | Retainer from trust—thank you | | | (\$2,000.00) |
| | Receive and note letter from Brent Parries; review same; scan and email copy to client | 0.2 | | \$50.00 |
| 2/12/13 | Exchange email with client; review file; meet with client; notes to file | 1.0 | | \$250.00 |
| 2/14/13 | Prepare draft supplemental letter responding to Brent's request for additional information; email same to client for review and comment | 0.7 | | \$175.00 |
| | Exchange email with client; finalize, print, and sign letter; make multiple copies and prepare multiple envelopes for distribution list | 1.1 | | \$275.00 |
| | Postage | | | \$12.88 |
| 2/15/13 | Exchange email with client | 0.1 | | \$25.00 |
| 2/18/13 | Receive and note five letters lacking sufficient postage; tape frayed edges of envelopes, add additional postage, and re-mail each | 0.1 | | \$25.00 |
| | Postage | | | \$2.30 |
| 2/19/13 | Receive and note five more letters lacking sufficient postage; tape frayed edges of envelopes, add additional postage, and re-mail each | 0.1 | | \$25.00 |
| | Postage | | | \$2.30 |
| 2/20/13 | Receive and note returned letters in damaged envelopes sent to Hawaii Community Foundation and Mason Holmes; re-send in new envelopes | 0.1 | | \$25.00 |
| | Postage | | | \$2.76 |
| 2/22/13 | Exchange email with Cathy Ries and client | 0.8 | | \$200.00 |
| | Calls from and to attorney Beau Ellis of Day Law Group (747-2705); review his credentials online | 0.2 | | \$50.00 |
| 2/25/13 | Call with Beau Ellis re his representation of Brent Parries and questions regarding client's administration of trust; prepare email to Beau, with copy to client, attaching scanned copies of mailing Beau has not yet seen and providing an initial explanation in response to his questions; exchange emails with client and opposing counsel | 0.9 | | \$225.00 |
| 2/28/13 | Calls with attorney Beau Ellis and client; notes to file; exchange email with client and others | 0.8 | | \$150.00 |
| 3/1/13 | Call with client; exchange emails with client | 0.5 | | \$125.00 |
| | Courtesy write-off | | | (\$13.99) |
| 3/4/13 | Exchange email with client | 0.2 | | \$50.00 |
| 3/5/13 | Exchange email with client | 0.4 | | \$100.00 |
| | Retainer from trust—thank you | | | (\$2,000.00) |
| 3/6/13 | Exchange email with client and attorney for Brent Parries; legal research re undue influence and trust litigation; prepare draft of notice letter to foundation; | 2.1 | | \$525.00 |

| | | | | |
|---------|---|-----|--|--------------|
| | email same to client for review; exchange email with client re same; finalize and mail letter to foundation; scan and email copy to client | | | |
| | Postage | | | \$0.46 |
| | Exchange email with attorney Debbie Hoesly on behalf of Cathy Fies and with client; call with client re same | 0.4 | | \$100.00 |
| | Exchange email with client and attorney Beau Ellis | 0.2 | | \$50.00 |
| 3/7/13 | Calls to and with client; prepare draft response to Cathy's attorney; email same to client for review and comment; exchange email with client re same; finalize and send email to Cathy's attorney with copy to client | 1.2 | | \$300.00 |
| 3/9/13 | Receive and note hard copy of letter from Cathy's lawyer; review same | 0.1 | | \$25.00 |
| 3/11/13 | Exchange email with client and opposing counsel re proposed opposition to foundation's gift | 0.7 | | \$175.00 |
| 3/19/13 | Exchange email with foundation and client; review foundation's letter; call with client re same | 0.5 | | \$125.00 |
| 3/21/13 | Receive and note hard copy of letter from foundation; read again | 0.1 | | \$25.00 |
| 3/25/13 | Exchange email with client | 0.3 | | \$75.00 |
| 3/26/13 | Review notes; call with client | 0.2 | | \$50.00 |
| 3/27/13 | Exchange email with client; review file | 0.5 | | \$125.00 |
| | Retainer from trust—thank you | | | (\$2,000.00) |
| 4/2/13 | Exchange email with client | 0.1 | | No charge |
| 4/3/13 | Work on draft petition for declaratory relief | 1.2 | | \$300.00 |
| 4/4/13 | Complete draft of petition for declaratory relief; email same to client for review and comment | 1.6 | | \$400.00 |
| | Exchange email with client re draft petition; revise accordingly; email revised petition to client for review and comment | 0.7 | | \$175.00 |
| | Meet with client to review, finalize, and sign petition; prepare copies of same | 1.1 | | \$275.00 |
| 4/8/13 | Exchange email with client re petition | 0.1 | | \$25.00 |
| | Calls with attorney Debbie Hoesly and client re timeshares, number of trips to Hawaii, etc. Re client's administration of trust as well as recently filed petition for declaratory judgment | 0.7 | | \$175.00 |
| 4/9/13 | Call with client re update on Hawaii trips and Mexico timeshares as well as petition for declaratory judgment; research re need for summons rather than notice; prepare summonses; email same to client for review; print and sign summonses; copy summonses and petition for service on respondents; calls with Rush Process Service | 2.3 | | \$575.00 |
| | Copy charge (FedEx Office) | | | \$17.20 |
| 4/10/13 | Prepare letter to Rush Process Service; exchange email with client re same and other matters | 0.4 | | \$100.00 |
| | Meet with client; mail package to Rush Process Service; mail copies to client | 1.0 | | \$250.00 |

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|---------|---|-----|--|---------------|
| | Service of process fee deposit (Rush Process Service) | | | \$375.00 |
| | Postage | | | \$7.72 |
| | Retainer from trust—thank you | | | (\$2,000.00) |
| | Exchange email with Beau Ellis and Debbie Hoesly with copies to client re client's letter re questions (and client's explanation to Debbie re trips to Hawaii) | 0.2 | | \$50.00 |
| | Exchange email with client | 0.4 | | \$100.00 |
| 4/11/13 | Review file; calls to and with Jack Stahley's prior estate planning attorneys (April); prepare email to April re same, with copy to client; exchange email with client | 0.6 | | \$150.00 |
| 4/12/13 | Call with Doneva at Rush Process Service re service of summons and petition | 0.1 | | \$25.00 |
| 4/15/13 | Exchange email with Leah at RPS and client | 0.1 | | \$25.00 |
| | After hours: call from Beau Ellis; exchange email with Beau and client; scan and email copy of signed petition to Beau with copy to client | 0.4 | | \$100.00 |
| 4/16/13 | Call with attorney Beau Ellis; prepare acceptance of service and copy of Brent's summons; call with Mike Kennedy at Rush Process Service to halt personal service on Brent; prepare email to Beau attaching PDF copies of summons and acceptance of service, with copy to client; exchange email with Beau and client | 0.6 | | \$150.00 |
| | Exchange email with Leah at RPS and client | 0.1 | | \$25.00 |
| 4/18/13 | Receive and note letter and signed acceptance of service from Beau Ellis; scan and email copies to client | 0.1 | | \$25.00 |
| 4/19/13 | Exchange email with Beau Ellis and client; call with Beau | 0.5 | | \$125.00 |
| | Review file; consider options for dealing with objections of Beau Ellis | 0.5 | | \$125.00 |
| 4/22/13 | Exchange email with Beau Ellis and client | 0.6 | | \$150.00 |
| 4/23/13 | Prepare letter to court enclosing acceptance of service for Brent Parries; mail copies to client and attorney Beau Ellis; review prior email exchanges with Beau and client | 0.3 | | \$75.00 |
| | Postage | | | \$1.38 |
| 4/24/13 | Call with client; notes to file; exchange email with Beau Ellis and client re not amending petition | 0.8 | | \$200.00 |
| | Receive and note invoices and copies of affidavits of service from Rush Process Service (for Cathy and Joy); review same; scan and email copies to client | 0.1 | | \$25.00 |
| 4/25/13 | Review file; exchange email with client | 0.2 | | \$50.00 |
| | Retainer from trust—thank you | | | (\$10,000.00) |
| 4/27/13 | Receive and note letter from Beau Ellis; review same; scan and email copy to client | 0.1 | | \$25.00 |
| 4/29/13 | Call with Cathy's lawyer, Debbie Hoesley; exchange email with Debbie and client | 0.5 | | \$125.00 |
| 4/30/13 | Exchange email with Beau Ellis and client; calls with client and Rush Process Service; receive and note | 0.5 | | \$125.00 |

| | | | | |
|---------|--|-----|--|----------|
| | Invoices and copies of affidavits of service from Rush Process Service; review same; scan and email copies to client | | | |
| 5/6/13 | Receive and note letter from attorney Steve Owen on behalf of foundation; review same; scan and email copy to client | 0.1 | | \$25.00 |
| 5/9/13 | Exchange email with Debbie Hoesley and client; receive and note letter from AAG Susan Bower; review same; scan and email copy to client | 0.2 | | \$50.00 |
| 5/13/13 | Receive and note letter from Debbie Hoesley | 0.1 | | \$25.00 |
| 5/21/13 | Exchange email with Debbie Hoesley and client | 0.2 | | \$50.00 |
| 5/22/13 | Print and review Cathy's Ries's response to client's petition; review same; exchange email with client re same; exchange email with Debbie Hoesley re Joy and Jill | 0.6 | | \$150.00 |
| | Calls from and with Doneva at Rush Process Service re service on foundation | 0.1 | | \$25.00 |
| 5/28/13 | Receive and note invoice and return of service from Rush Process Service; review same; scan and email copy to client; prepare and mail check to Rush Process Service; exchange email with client | 0.3 | | \$75.00 |
| | Additional service of process fee (Rush Process Service) | | | \$15.00 |
| | Postage | | | \$0.46 |
| 5/30/13 | Call from Beau Ellis; exchange email with Beau and client | 0.2 | | \$50.00 |
| 5/31/13 | Receive and note pleadings from Brent Parries | 0.1 | | \$25.00 |
| 6/1/13 | Exchange email with client re Brent Parries' pleading | 0.1 | | \$25.00 |
| 6/3/13 | Exchange email with client; review Brent Parries' pleadings; scan and email copy to client; sign and mail acceptance of service to opposing counsel; scan and email copy to client | 0.8 | | \$200.00 |
| | After hours: exchange email with client; review file | 0.2 | | \$50.00 |
| 6/5/13 | Calls from and to Steve Owen, attorney for foundation | 0.1 | | \$25.00 |
| | Meet with client re foundation litigation; notes to file | 1.4 | | \$350.00 |
| | Exchange emails with client | 0.4 | | \$100.00 |
| 6/5/13 | Exchange email with client; call with Steve Owen on behalf of foundation | 0.5 | | \$125.00 |
| 6/8/13 | Receive and note copy of letter and acceptance of service from Beau Ellis to court; review same | 0.1 | | \$25.00 |
| 6/10/13 | Review file and ORCP; notes to file; work on reply and answer to pleadings of Brent Parries | 0.6 | | \$150.00 |
| 6/11/13 | Complete draft of reply and answer to pleadings of Brent Parries; email same to client for review and comment | 2.3 | | \$575.00 |
| | Receive and note copy of letter and preliminary injunction paperwork from attorneys for Brent Parries; review same; scan and email copy to client; review same | 0.3 | | \$75.00 |
| | Exchange email with client | 0.2 | | \$50.00 |

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| 6/12/13 | Calls with client and to attorney Bill Keeler | 0.2 | | \$50.00 |
| | Prepare revised draft of reply; email same to client; work on client's declaration | 0.4 | | \$100.00 |
| | Call with Kristin at Bill Keeler's office; schedule call with Bill; calls with Bill and with client; work on client's declaration | 1.3 | | \$325.00 |
| 6/14/13 | Complete draft of client's declaration re suspicious circumstance; email same to client for review and comment | 1.3 | | \$325.00 |
| | Exchange email with client re declaration; revise same accordingly | 0.2 | | \$50.00 |
| | Work on objection to motion for preliminary injunction | 0.6 | | \$150.00 |
| | Call with client; revise declaration; prepare email to attorney Bill Keeler attaching drafts of reply and answer and declaration with copy to client | 0.4 | | \$100.00 |
| 6/15/13 | Exchange email with client; review attorney general's motion | 0.4 | | \$100.00 |
| 6/17/13 | Exchange email with client; revise his declaration accordingly; email same to client and Bill Keeler for review; exchange email with client | 0.5 | | \$125.00 |
| | Complete draft of objection to motion for preliminary injunction; email same to client for review and comment; exchange email with client re same; email same to Bill Keeler for his review and comment; exchange email with Bill and client | 1.2 | | \$300.00 |
| 6/18/13 | Exchange email with Bill Keeler and client; revise objection and declaration accordingly; discuss statute of limitations issue | 0.5 | | \$125.00 |
| | Calls to and from Bill Keeler; exchange email with Bill and client | 0.6 | | \$150.00 |
| 6/19/13 | Meet with client | 0.5 | | \$125.00 |
| | Exchange email with client and Bill Keeler; prepare and mail letter to court enclosing objection to preliminary injunction; mail copies to client and attorneys for other parties; prepare and mail letter to court enclosing reply and answer and declaration; mail copies to client and attorneys for other parties; prepare draft of objection to AG's motion to dismiss; email same to client and Bill Keeler for review and comment; prepare letter to court and mailing envelopes re same | 2.1 | | \$525.00 |
| | Postage | | | \$11.04 |
| 6/20/13 | Exchange email with client and Bill Keeler; prepare and mail letter to court enclosing objection to preliminary injunction; mail copies to client and attorneys for other parties; prepare and mail letter to court enclosing reply and answer and declaration; mail copies to client and attorneys for other parties; prepare draft of objection to AG's motion to dismiss; email same to client and Bill Keeler for review and comment; prepare letter to court and mailing envelopes re same | 0.3 | | \$75.00 |
| | Brochure and note copy of foundation's mission | 0.2 | | \$50.00 |

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| 6/21/13 | Receive and note copy of foundation's response; quickly review same; scan and email copy to client | 0.2 | | \$50.00 |
| | Legal research re role of attorney general; prepare email to client re same | 0.5 | | \$125.00 |
| 6/22/13 | Exchange email with client | 0.2 | | \$50.00 |
| | Exchange email with client; finalize objection to AG's motion to dismiss; mail original letter and objection to court; mail copies to client and counsel for other parties | 1.2 | | \$300.00 |
| | Postage | | | \$3.68 |
| | Exchange email with client; review draft pleadings of Bill Keeler | 0.3 | | \$75.00 |
| 6/25/13 | Call with Bill Keeler; prepare draft of letter to court, objection to motion of foundation for preliminary injunction, and reply/response to foundation's response/counter petition; email same to client for review and comment | 1.7 | | \$425.00 |
| | Exchange email with Ashley Parries and client re funds for college | 0.2 | | \$50.00 |
| 6/26/13 | Exchange emails with client re reply/response | 0.1 | | \$25.00 |
| | Revise reply/response to foundation; email same to client for review and comment; exchange email with client re same; finalize, print, sign, copy, and mail letter to court and reply/response and objection; mail copies to client and attorneys for various parties | 1.1 | | \$275.00 |
| | Postage | | | \$6.44 |
| | Receive and note copies of filed responses of Bill Keeler; review same; scan and email copies to client | 0.3 | | \$75.00 |
| 6/27/13 | Call with Beau Ellis re his planned motion to strike | 0.2 | | \$50.00 |
| | Receive and note notices from court re hearing, settlement conference, and trial; calendar dates and times; scan and email copies to client; prepare letter to court enclosing check for client's settlement conference fee | 0.4 | | \$100.00 |
| | Settlement conference fee (State of Oregon) | | | \$200.00 |
| | Postage | | | \$0.46 |
| 7/3/13 | Receive and note pleadings from Bill Keeler and Beau Ellis; exchange email with Kathryn Kanemori of Hawaii attorney general's office, m with copy to client; call with Bill Keeler | 0.4 | | \$100.00 |
| | Review Joy and Jill's response to AG's motion to dismiss; scan and email copy to client | 0.2 | | \$50.00 |
| | Review Brent's reply to client's objection to his motion for preliminary injunction; scan and email copy to client | 0.2 | | \$50.00 |
| | Exchange email with client re AG's reply to client's objection to motion to dismiss; print and review same; review Brent's motion to strike; scan and email copy to client; calculate and calendar due date for response (July 12) | 0.7 | | \$175.00 |
| 7/5/13 | Exchange email with Bill Keeler and client; review | 0.4 | | \$100.00 |

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| | file | | | |
| 7/8/13 | Review all pleadings; work on response to motion to strike; scan and email copies of all pleadings to Hawaii AG's office, with copies to client | 1.6 | | \$400.00 |
| 7/10/13 | Prepare draft objection to motion to strike; email same to client for review and comment; exchange email with client re same | 1.6 | | \$400.00 |
| | Exchange email with Susan Bower | 0.1 | | \$25.00 |
| | Revise objection to motion to strike; email same to client for review and comment; prepare letter to court and envelopes for mailing | 0.7 | | \$175.00 |
| 7/11/13 | Exchange email with client; finalize, print, sign, copy, and mail letter to court with objection to motion to strike; mail copies to client and attorneys for other parties | 0.8 | | \$200.00 |
| | Postage | | | \$3.68 |
| 7/12/13 | Calls from and with Bill Keeler re next week's hearing; exchange email with Bill and client | 0.3 | | \$75.00 |
| 7/15/13 | Receive and note hard copy of AG's reply to trustee's response to AG's motion to dismiss; exchange email with Bill Keeler | 0.3 | | \$75.00 |
| | Calls with Bill Keeler and with client | 0.5 | | \$125.00 |
| 7/16/13 | Calls with court and Bill Keeler's assistant re hearing tomorrow on motion for preliminary injunction; exchange email with client re same | 0.3 | | \$75.00 |
| | Exchange email with Debbie Hoesly's office and client re Cathy Ries's joinder in motion for preliminary injunction; review same | 0.1 | | \$25.00 |
| | Calls from and with Steve Owen re tomorrow's hearing; exchange email with client | 0.2 | | \$50.00 |
| | Calls with court and with client; prepare for hearing tomorrow | 0.5 | | \$125.00 |
| 7/17/13 | Complete hearing preparations; call with client re upcoming hearing | 1.0 | | \$250.00 |
| | Estimated travel time and expense, time meeting with client and others, and hearing time before Judge Steele (amount paid prior to hearing) | | | \$757.48 |
| | Actual time: 3.1 hours x \$250 = \$775.00; parking = \$2.00; total = \$777.00; write off difference | | | |
| | Post-preliminary injunction hearing: Italics = client's personal responsibility (related to client's petition re gift to foundation) | | | (\$60.00) |
| 7/18/13 | Exchange email with client re upcoming further removal battles with Brent Parries, both personally and in his role as trustee; receive and note copy of AG's motion to strike client's sisters' objection; review same; scan and email copy to client | 0.3 | | \$75.00 |
| 7/19/13 | Receive and note faxed letter and bond paperwork from Beau Ellis; review same; scan and email copies to client; exchange email with client re Brent | 0.2 | \$50.00 | |

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| 7/20/13 | Receive and note hard copy of bond paperwork from opposing counsel | 0.1 | \$25.00 | |
| 7/29/13 | Exchange email with client; calendar meeting with client, client's sisters, and Bill Keeler | 0.1 | \$25.00 | |
| 7/30/13 | Exchange email with client re meeting with Bill Keeler | 0.1 | \$25.00 | |
| | Call with Beau Ellis; exchange email with client and Beau | 0.3 | | \$75.00 |
| 7/31/13 | Receive and note RFP from Steve Owen; scan and email copy to client | 0.1 | \$25.00 | |
| 8/1/13 | Attend meeting with client, his sisters, and Bill Keeler where we discussed, among other things, upcoming battle to remove trustee (courtesy write off of travel time of 0.8 hours) | 1.0 | \$250.00 | |
| | Meeting discussion re defending against removal actions | 0.5 | | \$125.00 |
| | Parking | | \$8.00 | |
| | Receive and note copy of petition filed by Cathy Ries to remove client as trustee; review same; scan and email copy to client | 0.2 | | \$50.00 |
| 8/2/13 | Exchange email with client re defending his actions as trustee separate from pursuing the petition | 0.5 | | \$125.00 |
| | Call with client re work going forward as trustee separate from pursuing petition | 0.3 | | \$75.00 |
| | Receive and note request for production of documents from Cathy Ries's attorney; scan and email copy to client | 0.1 | | \$25.00 |
| 8/5/13 | Retainer from trust—thank you | | | (\$5,000.00) |
| | Exchange email with client and counsel for remainder beneficiaries re email from tax preparer concerning CHI Investments | 0.3 | | \$75.00 |
| | Work on answer to petition of Cathy Ries to remove client as trustee | 0.6 | | \$150.00 |
| 8/6/13 | Complete draft of answer to petition of Cathy Ries; email same to client for review and comment; review file | 1.6 | | \$400.00 |
| | Exchange email with client re draft answer; revise answer accordingly and re-send to client; email same to Bill Keeler for comment | 0.6 | | \$150.00 |
| 8/8/13 | Call to Bill Keeler re draft answer to removal petition of Cathy Ries | 0.1 | | \$25.00 |
| 8/12/13 | Exchange email with client re answer to Cathy's petition | 0.1 | | \$25.00 |
| 8/13/13 | Exchange email with client re answer to Cathy's petition; finalize, print, and sign same; call to court re filing fee; prepare filing fee check; prepare letter to court enclosing answer and check; mail copies of letter and answer to client and attorneys; work on response to RFP of Debbie Hossly; exchange email with Debbie re same | 1.4 | | \$350.00 |
| | Work on response to RFP of Steve Owen; exchange email with Steve re same | 0.5 | \$125.00 | |

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| | Filing fee for client's answer to removal petition of Cathy Ries (State of Oregon) | | | \$240.00 | |
| | Postage | | | \$9.68 | |
| | Receive and note new settlement conference and trial notices from court; call with court re same; calendar new dates; exchange email with client re same as well as production of documents; prepare letter to court enclosing check for trial fee | 0.7 | | \$175.00 | |
| | Trial fee (State of Oregon) | | | \$225.00 | |
| | Postage | | | \$0.46 | |
| 8/15/13 | Exchange email with client, Steve Owen, and Debbie Hoesly re RFPs and tax returns | 0.3 | | \$75.00 | |
| 8/16/13 | Exchange email with client re RFPs | 0.1 | | \$25.00 | |
| 8/19/13 | Calls from and to Steve Owen, attorney for foundation; receive and note copy of motion from Steve re telephonic appearance by his client; review same; scan and email copy to client | 0.2 | \$50.00 | | |
| | Call with Rob at court re multiple settlement conference dates and trial dates; email RFP invoice to Steve Owen and Debbie Hoesly with copy to client; exchange email with client | 0.4 | | \$100.00 | |
| | Exchange email with Steve Owen and client re invoice from client for responding to RFP and with client re responding to RFPs, motion to compel, motion for payment of costs first, etc. re RFPs | 0.5 | \$125.00 | | |
| 8/20/13 | Call with Steve Owen re settlement conference, depositions, discovery, trial, etc.; exchange email with Steve and client | 0.7 | | \$175.00 | |
| 8/21/13 | Calls with court and client re settlement conference, etc. | 0.4 | | \$100.00 | |
| 8/22/13 | Calls from and with Christina at court re tomorrow's judicial settlement conference; exchange email with Bryan Marsh at court, client, and opposing counsel | 0.4 | | \$100.00 | |
| 8/23/13 | Travel to and from courthouse; meet with client, his sisters, their husbands, and other attorneys; participate in settlement conference with Judge Kathie Steele | 3.2 | | \$800.00 | |
| | Parking | | | \$2.00 | |
| | Exchange emails with opposing counsel and client | 0.2 | | \$50.00 | |
| 8/25/13 | Exchange email with client | 0.2 | | \$50.00 | |
| 8/27/13 | Receive and note email from Bryan Marsh re next available hearing date being October 11; forward to client; exchange email with client | 0.2 | | \$50.00 | |
| 8/28/13 | Exchange email with client; meet with client; calls from and to Steve Owen; call with Debbie Hoesly; exchange email with Steve, Debbie, and client re discovery | 1.2 | | \$300.00 | |
| 8/29/13 | Finalize, print, sign, copy, and mail to client and opposing counsel copies of responses to RFPs from Steve Owen and Debbie Hoesly; exchange email with Bryan Marsh at court, client, and opposing counsel re trial date | 1.2 | | \$300.00 | |

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| | Postage | | | \$5.62 |
| | Exchange email with Debbie Hoesly, Steve Owen, and client | 0.3 | | \$75.00 |
| 8/30/13 | Exchange email with client, Steve Owen, and Debbie Hoesly | 0.6 | | \$150.00 |
| 8/31/13 | Exchange email with Debbie Hoesly and client | 0.3 | | \$75.00 |
| 9/2/13 | Exchange email with Bill Keeler and client | 0.1 | | \$25.00 |
| 9/3/13 | Exchange email with client; call with client; receive and note confirmation card from court re foundation appearing by telephone at settlement conference; receive and note hard copy of Steve Owen's notice of deposition; receive and note Bill Keeler's notice of appearance and responses to RFPs of Cathy Ries and foundation; photocopy Bill Keeler's papers for client; exchange email with Steve Owen; meet with client | 0.7 | | \$175.00 |
| | Retainer from trust—thank you | | | (\$4,000.00) |
| | Call with Henry at Jim Cartwright's office; exchange email with Henry and client; scan and email pleadings to Henry with copies to client | 0.9 | | \$225.00 |
| 9/4/13 | Receive and note hard copy of Debbie Hoesly's notice of client's deposition | 0.1 | | \$25.00 |
| | Travel to and from and attend client's deposition by Debbie Hoesly and Steve Owen | 4.5 | | \$1,125.00 |
| | Exchange email with client re tomorrow's deposition | 0.1 | | \$25.00 |
| | Receive and note email from Bryan Marsh at court; exchange email with Henry at Jim Cartwright's office; calls with client re withdrawal as client's attorney; exchange email with opposing counsel and client re same and requested postponement of tomorrow's continued deposition of client | 0.9 | \$225.00 | |
| 9/5/13 | Exchange email with client and opposing counsel re continuation of client's deposition and discharge of attorney | 0.3 | \$75.00 | |
| | Travel to and from client's deposition; meet with client and opposing counsel; call with Judge Steele re postponement of deposition | 2.4 | \$600.00 | |
| | Review and revise time sheet; email same to client | 0.7 | No charge | |
| | Receive and note email from Kathleen Bricken re Intended motion to postpone trial | 0.1 | No charge | |
| 9/6/13 | After hours: receive and note email from Beau Ellis; review same; forward to client | 0.1 | No charge | |
| | Prepare letter to court, confirmation cards, and withdrawal paperwork; mail same to court; mail copies to client and other attorneys | 1.1 | No charge | |
| | Postage | | \$10.85 | |
| | Receive and note email from Steve Owen and Kathleen Bricken; review same; forward to client | 0.2 | No charge | |
| 9/7/13 | Saturday: Receive and note copies of client's sisters' motion to postpone trial and their RFPs to Brent, Cathy, and HCF | 0.1 | No charge | |
| 9/11/13 | Exchange email with Debbie Hoesly and client | 0.1 | No charge | |

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| | of appearance and response to Pitt Ford Gethy Rice and foundation, photocopy Bill Keeler papers for client, exchange email with Steve Owen, meet with client | | | |
| | Debbie's feedback thank you | | | \$1,000.00 |
| | Call with Harry, relative setting the office, exchange email with Harry and client, open and email, handle, photocopy, and copies to client | 0.0 | | \$205.00 |
| 9/4/13 | Receives and notes email from Debbie's lawyer, copies of client's deposition | 0.4 | | \$85.00 |
| | Travel to and from and attend client's deposition, Debbie's lawyer and Steve Owen | 4.5 | | \$1,425.00 |
| | Exchange email with client re tomorrow's deposition | 0.1 | | \$20.00 |
| | Receives and notes email from Bryan Marsh at court; exchange email with client, and email to client of 10:00pm with client re withdrawal of client's attorney, exchange email with opposing counsel re client's name and request for payment of 10:00pm to continue deposition of client | 0.8 | | \$120.00 |
| 9/5/13 | Exchange email with client and opposing counsel re consideration of client's deposition and discharge of attorney | 0.0 | | \$0.00 |
| | Travel to and from court for deposition, meet with client and opposing counsel at the judge's office as postponement of deposition | 0.1 | | \$20.00 |
| | Receives and notes email from client re postponement of deposition | 0.7 | | No charge |
| | Receives and notes email from Rebecca DeLeon re intentional motion to postpone trial | 0.1 | | No charge |
| | Attorney's review and notes email from Rebecca DeLeon re same, forward to client | 0.1 | | No charge |
| 9/6/13 | Prints letter to court, confirmation cards, and withdrawal papers, mail same to court, mail copies to client and other attorneys | 0.1 | | No charge |
| | Postage | | | \$10.05 |
| | Receives and notes email from Steve Owen and Kathleen DeLeon, review same, forward to client | 0.1 | | No charge |
| 9/7/13 | Saturday: Receives and notes copies of client's solemn motion to postpone trial and their PFDs to Court, Call type and HCR | 0.1 | | No charge |
| 9/13/13 | Exchange email with Debbie's lawyer and client | 0.1 | | No charge |
| 9/16/13 | Exchange emails with client and opposing counsel | 0.2 | No charge | |
| | Review and revise time sheet; email same to client | 1.0 | No charge | |
| | Credit for post-preliminary injunction hearing charges attributable to trust | | | (\$6,407.64) |
| | Balance due from client | | \$1,678.85 | |
| | Trust account balance for client's father's trust | | | (\$9,060.00) |

on
Prior
page

From: Charlie King [mailto:charlie@kingautocenter.com]

Sent: Monday, February 13, 2012 12:19 PM

To: Darcie Yukimura

Cc: José Aguayo

Subject: Jack Stahley

Hi Darcie – Mr. Stahley passed away on Kauai earlier this month. He and his son Jeffrey are/were friends of my partner, Jose. Jeffrey was surprised to find that last year his dad made a large bequest to HCF in his will. Apparently Nancy Budd was his attorney here. I suggested to Jose that Jeffrey should contact you for further information on any arrangements he may have made with you.

Charlie King
W 808.482.2800
C 808.651.3613

Janet O. Cutting

From: Darcie Yukimura
Sent: Tuesday, May 14, 2013 11:25 AM
To: Janet O. Cutting; Kate Lloyd
Cc: Evie Carranza
Subject: Jack Stahley Obit

Aloha Kate, Janet,
According to the Kauai Memorial Gardens and Funeral Home, Jack Stahley's son Jeffery Stahley placed the obituary.

http://thegardenisland.com/news/local/obituaries/article_c18cea80-554f-11e1-a782-0019bb2963f4.html

Aloha,
Darcie Yukimura
Senior Philanthropic Services Officer
Hawai'i Community Foundation
4139 Hardy Street, Suite C | Lihue, HI 96766
p: (808) 245-4585 | f: (808) 245-5189 | e: dyukimura@hcf-hawaii.org
Connecting people who care with causes that matter

Obituaries for Sunday, February 12, 2012

TheGardenIsland.com

Jeremiah Bernaldes

Jeremiah Thomas Kalaionamanu Bernaldes of Hanapepe died Jan. 30, 2012, at Kaua'i Veterans Memorial Hospital at the age of 13. He was born on April 4, 1998, in Las Vegas, Nev. He was a student at Waimea Canyon Middle School.

He was preceded in death by his grandfather, Eldefonso Abalos.

He is survived by parents, Michael (Devita Abalos) Bernaldes; brother, Josiah Elias; sister, Anuhea Chock; hanai sister, Kiara Kaiwi-Bernaldes; grandparents, Rebecca Siquian John and Lani Bernaldes; and numerous aunts, uncles, cousins and friends.

A celebration of life will be held on Saturday, Feb. 18, at Borthwick Kaua'i Mortuary Chapel, Koloa. Visitation will be held at 9 a.m. Service at 11 a.m.

Arrangements made by Borthwick Kaua'i Mortuary Koloa, Kaua'i.

Jack Stahley

Jack Lee Stahley of Lihu'e died at home on Jan. 27, 2012, at the age of 75. He was born in Montana on March 31, 1936, and retired from the construction business as a drywaller.

He is survived by his son, Jeffrey Stahley; daughters, Jill Rylander, Joy Stahley and four grandchildren.

Private services were held.

Donations may be made to the Hawai'i Community Foundation in the name of the Jack L. Stahley Fund.

Kaua'i Memorial Gardens & Funeral Home assisted the Stahley family with arrangements.

Virginia Fajardo

Virginia "Virgie" Fajardo of Wailua Houselots passed away peacefully while surrounded by her family in her home on Feb. 8, 2012. She was born on May 15, 1940, in Lihu'e and was the eldest of four children. She was a devoted wife, loving mother and friend to many and, most of all, she was a warm and loving nana to all.

She was preceded in death by her parents, Frank and Alice Freitas and sister, Marie Cacabelos.

She is survived by her husband of 51 years, Raymond; children, Angela (Eric) Fajardo of Wailua Houselots, Daniel (Holly) Fajardo of Omao, Allison (Makoto) Sato of Honolulu, and Raydene (Chris) Gampon of Lawai. She was also blessed with grandchildren, Shawn "Keku" and Virginia "Nala" Fajardo, Daniel "Ikaika" and Levi (Melody) Fajardo, Jet and Jax

From: Katie Hoesly [mailto:katiehoeslylaw@gmail.com]
Sent: Thursday, May 16, 2013 10:08 AM
To: Cara Mazzei
Subject: Information on Hawaii Community Foundations

Hello,

Thank you for speaking with me this morning. I thought it may be helpful if I wrote you with a few of my questions.

Any information you can give me would be helpful. A few specific questions I have for you are:

1. Is Nancy J. Budd on the board of directors, advisory committee or has she ever been on any of these boards?
2. Has Nancy J. Budd ever donated to HCF or had any other relation to HCF?
3. Has Jack L. Stahley ever donated to HCF or had any other relation to HCF?

Also, is it possible for you to send me general information about how a person goes about donating, how large the HCF is, its main goals, and any policy on honoring a donor's intent.

Thank you for your help and I hope you have a wonderful day.

Katie Hoesly

14.



HAWAII COMMUNITY FOUNDATION

NOMINATION SUBMISSION

Kaua'i Leadership Council Membership

The Council members reviewed the composition of KLC and agreed that the leadership needs to include representatives of professional advisors, part-time residents and newcomers. After due deliberation, KLC members wish to nominate the following two persons to join the Council:

Nancy Budd Attorney at Law, specializes in estate planning. Nancy received her law degree from the University of California, Davis in 1979. Her private practice, first established on Kaua'i in 1980, concentrates on charitable tax planning, business organization, estate planning, estate and trust administration and real estate transactions. Nancy has served as Community Representative for the State Foundation on Culture and the Arts, and she served as a Board Director for the Kaua'i Housing Resource Board, the Hawai'i State PTSA and the Kaua'i Children's Fund. She currently is a member of the Board of Directors of Hale 'Opio Kaua'i.

Warren H. Haruki is President and Chief Executive Officer of Grove Farm. Warren graduated from Kapa'a High School, received a Bachelor of Science degree from Purdue, followed by a master's degree in business administration from the University of Hawaii at Manoa. He worked as an assistant manager at the Kaua'i Resort Hotel, joined GTE Hawaiian Tel in 1979 and served as president of Verizon Hawaii from 1991 until 2003. Warren serves as a director of First Hawaiian Bank, Pacific Guardian Life Insurance, and the Parker Ranch Foundation Trust. He is the past chair of the University of Hawaii Foundation, the Blood Bank of Hawaii, and The Chamber of Commerce of Hawaii.

Thank you for your consideration.

NEIGHBOR ISLAND LEADERSHIP COUNCILS
APPOINTMENT APPROVAL PROCESS
May 2005

Purpose and Role of Neighbor Island Leadership Councils

Leadership Councils were established on Maui, Kaua'i and Hawai'i Islands to assist HCF staff further the Foundation's mission. These volunteers serve in an advisory capacity by serving as a sounding board on community issues and opening doors to connect people and organizations to HCF.

Council members are expected to understand and support the mission, goals and strategies of the Foundation. They attend periodic Leadership Council meetings and HCF sponsored events. They are the Foundation's ambassadors in promoting and increasing philanthropy on their island and statewide.

Council Structures

Each Island Council selects a chair to reside over meetings. In most cases, one of the island HCF Board of Governor representatives serves in this capacity. Maui and Hawai'i Island Councils have set a term of office at three years with the option of term renewals. Term renewals will also require approval by the HCF Nominating & Governance Committee.

Currently Kaua'i Leadership Council has (7) members, Maui Leadership Council (10) members and Hawai'i Island (8) members respectively.

Nomination Procedure

When island Leadership Councils need to expand, renew terms or replace members, they will review the composition and diversity of their council. Nominations for new council members may be recommended by current Leadership Council members as well as HCF staff and the HCF Board of Governors. Leadership Councils may elect to have a nominating committee.

The HCF Foundation Officer for each island will review these recommendations and submit the final nominees along with their brief biographies to the HCF President. If the HCF President approves the recommendations, the President shall forward the nominations on to the Nominating & Governance Committee for final approval.

In special cases, when Leadership Councils need to add or replace members prior to a normally scheduled Nominating & Governance Committee meeting, the Foundation President, in consultation with the chairman of the Nominating & Governance Committee, may approve interim appointments. These interim appointments will be ratified at the next normally scheduled Nominating & Governance Committee meeting.

Neighbor Island HCF Board members do not need to go through the approval process to serve on island Leadership Councils.

Leadership Council nominations do not need to be approved by the HCF Board of Governors.



HAWAII COMMUNITY FOUNDATION

Neighbor Island Leadership Councils

Purpose: Develop a well-respected leadership group that provides support and guidance to HCF activities on the neighbor islands.

Process: Nominating and Governance Committee will recruit and appoint candidates for the Councils.

Leadership Councils will be initially convened in 2000. A member, preferably the Chair, of each Council will be invited annually to attend the Board planning meeting.

An early task may be to identify neighbor island issues and opportunities for HCF.

Qualities: Outstanding reputation as a leader in the community
Gets things done and follows through
Good ambassador and willing to open doors for HCF
Knows issues on the island and can see beyond any specific program or geographic interests



HAWAIIAN COMMUNITY FOUNDATION

Leadership Council Responsibilities

- Advise HCF board and staff on how the Foundation can carry out its mission and be effective in achieving its goals on the island
- Encourage prospective donors and professional advisors to utilize the charitable services of the Foundation and help build the charitable assets for the island
- Enlist key leaders and partners to assist the Foundation in carrying out its work on the island
- Develop island grantmaking goals, outcomes and indicators, and strategies that are responsive to the island and help the Foundation achieve its goals.

Individual Leadership Council Responsibilities

- Commitment to the mission, goals and values of the Foundation
- Participation in Leadership Council meetings and Foundation sponsored activities
- Serve as an advocate of the Foundation to a diverse array of constituents (current/ potential donors, current/potential grantees, professional advisors, partners, government, local communities)
- Follow through on assistance as requested
- Participation in charitable service activities such as:
 - ⇒ Helping identify good prospects and appropriate cultivation strategies
 - ⇒ Hosting an event or meetings to introduce or encourage good prospects and donors to utilize the services of the Foundation

Kauai Leadership Council Bios

Charlie King, Chair is the dealer principal of King Auto Center on Kauai representing Chrysler, Dodge, Jeep and Honda, King Windward Nissan and King Infiniti of Honolulu. This dealer group began when King Auto Center was started in October of 1995 and has been ranked in the Hawaii Business Top 250 since 2000. Prior to King Auto Center, Charlie was associated with Kuhio Motors on Kauai and Bank of Hawaii in various capacities. He has been a director and Vice Chair of the Housing and Community Development Corp of Hawaii since 2003 and is director and Chair of one of its successor corporations, Hawaii Housing Finance and Development Corp. Other volunteer boards on which he serves include Island School, St. Michael & All Angels Episcopal Church, Hawaii Preparatory Academy, Kauai Junior Golf Association, Hawaii State Golf Association and serves on the Junior Amateur committee of the USGA. He has served as the President of the Kauai Chamber of Commerce and the Hawaii Auto Dealers Association and has been chair of the Wilcox Hospital Foundation and Kauai Business Council. Charlie has been a member of the Board of Directors of Alexander & Baldwin and Matson Navigation Company since 1989.

Affiliations

Hawaii Community Foundation, Board of Governors
Annie Sinclair Knudsen Memorial Fund, Former Advisor
Alexander & Baldwin, Board of Directors
Hawaii Community Foundation, Governor
Hawaii Preparatory Academy, Board of Governors
Housing and Community Development Corp of Hawaii, Director
Island School, Board of Governors
USGA, Jr. Amateur Championship Committee

Nancy Budd Attorney at Law, specializes in estate planning. Nancy received her law degree from the University of California, Davis in 1979. Her private practice, first established on Kauai in 1980, concentrates on charitable tax planning, business organization, estate planning, estate and trust administration and real estate transactions. Nancy has served as Community Representative for the State Foundation on Culture and the Arts, and she served as a Board Director for the Kauai Housing Resource Board, the Hawaii State PTSA and the Kauai Children's Fund. She currently is a member of the Board of Directors of Hale 'Opio Kauai.

Affiliations

Annie Sinclair Knudsen Memorial Fund, Advisor
Hale 'Opio Kauai, Inc., Secretary, Board Member
Kauai Academy of Creative Arts, Of Counsel
Salvation Army, Advisory Board Member
The Trust for Public Land, Grant Committee Member
Save Koke'e, President, Board Member
Hawaii Justice Foundation, Board Member

Roberta Wallace Cable moved to Kauai from Alaska in 1986 with her then husband Wally Wallace, to develop Gaylord's Restaurant in the historic home known as Kilohana. Their family has all worked with them in the past 19 years and since 1999, their daughter Paige and her husband Russ Talvi have become partners and have taken leadership roles. Wally lost his battle with cancer in April of 2000, but the family continues to live up to the reputation established by Wally in providing excellent food and friendly, attentive service at Gaylord's. Roberta married again in 2004 to Roger Cable, and her wonderful grandchildren have begun to carry on the tradition by working in the restaurant and luau after school and on holidays.

Affiliations

Kauai Women Investors, Member
Leadership Kauai, Founder's Circle
Women in Theatre, Treasurer

Warren H. Haruki is President and Chief Executive Officer of Grove Farm. Warren graduated from Kapa'a High School, received a Bachelor of Science degree from Purdue, followed by a master's degree in business administration from the University of Hawaii at Manoa. He worked as an assistant manager at the Kaua'i Resort Hotel, joined GTE Hawaiian Tel in 1979 and served as president of Verizon Hawaii from 1991 until 2003. Warren serves as a director of First Hawaiian Bank, Pacific Guardian Life Insurance, and the Parker Ranch Foundation Trust. He is the past chair of the University of Hawaii Foundation, the Blood Bank of Hawaii, and The Chamber of Commerce of Hawaii.

Affiliations

Blood Bank of Hawaii, Board Member
First Hawaiian Bank, Board Member
Pacific Guardian Life Insurance Co., Board Member
Parker Ranch Foundation Trust, Trustee
Parker Ranch Inc., Board Member
Hawaii BioEnergy LLC, Chairman and Board Member
Hawaii Planing Mill, Board Member
Maui Land & Pineapple Company, Inc. – Chairman, Interim CEO & Board Member

Lynn P. McCrory, RRP, as the President and Chief Operating Officer of PAHIO Development, Inc. is responsible for the operations of a vacation ownership resort management company in Hawaii and Washington. PRI is one of the PAHIO Companies that develop, construct, sell and manage vacation ownership resorts. As head of PRI, Lynn is also responsible for the administrative management, community and government relations for all of the PAHIO companies. Lynn served on the Kauai County Board of Water Supply. She is also serving as the Chairperson of Zephyr Insurance Company, Inc., and on the board of Child & Family Service. She has been on the Executive Committee of ARDA Hawaii (Association of Resort Development of America) since inception and is currently the Chair of the Resort Management Committee for the national trade association, ARDA. Lynn has served on the Hawaii Board of Land and Natural Resources, Hawaii Hurricane Relief Fund Board, Kauai Economic Development Board, Kauai Business Assistance Board and the Kauai Business Council Executive Committee.

Affiliations

Kauai Children's Environmental Education Fund, Fund Creator
Child & Family Services, Board Member
Kauai Economic Development Board, Board Member
ARDA & ARDA-Hawaii, Executive Committee Member
Hawaii Nature Center, Board Member/Finance & Audit Chair

Katherine Richardson, is an account manager for the family's Real Estate and Property Management Company, RE3, LLC and is a dedicated community servant on Kauai and throughout the state. Kathy has just taken the helm as the President of the Board of Directors at Island School. She is an active member of the National Tropical Botanic Garden, serving as a Board Member and Chair of the Education Committee. Kathy also acts as the Wilcox Hospital Auxiliary Gift Shop Manager and Buyer, Co-Chair of the Kauai Guild for Child and Family Service, and serves on the Board of the Hawaii Opera Theater.

Affiliations

Island School, Board President
National Tropical Botanical Garden, Board Member & Chair of Education Committee
Wilcox Hospital Auxiliary Gift Shop Manager and Buyer
Kauai Guild for Child and Family Service, Co-Chair
Hawaii Opera Theater, Board Member
*Joined KLC 11/2009 – 3 year term

Glen H. Takenouchi has been named general manager for the Gas Company, Kaua'i. Prior to his appointment, Takenouchi was Kaua'i branch manager, a position he has held since joining the company in 1998. Prior to that, Takenouchi was an engineering supervisor with Kaua'i Electric and a processing engineer

with AMFAC Sugar on Kaua'i. He holds a B.S. in general engineering-engineering management from the University of Hawai'i. He is active in the Kaua'i Business community as a board member of the Kaua'i Developer's Council, member of the Kaua'i Chamber of Commerce, and the Kaua'i affiliate of the Hawai'i Hotel and Lodging Association.

Affiliations

Contractors Association of Kaua'i, Member
Hawai'i Hotel Association, Member
Kaua'i Chamber of Commerce, Member
Kaua'i Developer's Council, Member
Kaua'i County Charter, Commissioner
Kaua'i Junior Golf Association, Board Member
Kaua'i United Way, Board Member

Millie Wellington is a retired teacher who also served as the Kauai County Public Information Officer for former Kauai Mayor. Her and her husband Duke own Wellington Ranch on the South shore of Kauai.

Affiliations

Annie Sinclair Knudsen Memorial Fund, Former Advisor
Ambassadors of Aloha, Executive Board
Young Brothers Community Advisory Board, Member
Kaua'i Community College Fund Board, Trustee
Delta Kappa Gamma Society International BETA BETA State, ETA Chapter Executive Board
Kaua'i Filipino Chamber of Commerce
Kaua'i Filipino Chorale
Wilcox Hospital Gift Shop, Volunteer
Kauai Museum Children's Art Show, Volunteer

Emeritus Advisors/ Former BOG
Reverend Jan C. Rudinoff
Myles Shibata

Former BOG
David Iha
David Pratt

Last update: 11/11/09

Faces of Philanthropy

2012 • ISSUE 4

Quarterly News from the Hawai'i Community Foundation

Neighbor Island Leadership Councils

Local level collaboration, big picture change

OUR MISSION

We help people make a difference by inspiring the spirit of giving and by investing in people and solutions to benefit every island community.



HAWAII
COMMUNITY
FOUNDATION

Serving Our Community
Since 1916



Neighbor Island Leadership Council members. Back row, left to right: Roberta Chu, Nancy Budd, Kristina Lyons Lambert, Lynn White, John De Fries, Darl Glead, Bill Hastings, Glenn Yamasaki. Front row, left to right: Millie Wellington, Lynn Lally, Sonia Topenko, Kathy Richardson, Charlie King, Honey Bun Haynes, R. Clay Sutherland.

AS A STATEWIDE ORGANIZATION and the largest foundation in Hawai'i, the Hawai'i Community Foundation works together with philanthropists and community leaders each day to make the greatest impact possible.

Key partners in this shared effort are the Foundation's Neighbor Island Leadership Councils, who work with neighbor island staff on a local level to help influence changes in their own communities, as well as on a broader scale.

Neighbor Island Leadership Councils were originally established more than a decade ago in conjunction with the creation of offices and on-island staff for Hawai'i Island, Maui County, and Kaua'i. Their role is to open doors to form new Foundation partnerships and provide advice on issues relevant to their respective islands. As a result, the efforts of the Leadership Councils have been valuable to the Foundation's philanthropic and community-building work on each island.

"We understand how unique and distinctive the neighbor islands are," said Kelvin H. Taketa, president and chief executive officer of the Hawai'i Community Foundation. "Our Leadership Council members are well connected to their respective communities, and their wealth of knowledge helps our staff ensure that the opportunities and needs in each county are brought to light."

In more recent years, the Leadership Council members have become active ambassadors for

the Foundation, referring it to others, choosing it as their partner in giving, and speaking about its impact at various public forums.

A total of 42 community leaders have volunteered as Leadership Council members over the past 12 years. Members include business owners and professional advisors. While they come from different sectors and bring their own perspectives and experiences to the table, they share a common passion for their island home and for helping others through philanthropy. They have been instrumental catalysts for funds such as the East and West Hawai'i Funds, Kaua'i Aloha Endowment Fund, and Chas Fisher Memorial Endowment Fund—all of which are permanent charitable resources for our neighbor islands.

Momentum continues to build as the Leadership Councils and individual members help further the Foundation's mission. Recently, a gathering of members from Hawai'i Island, Maui County, and Kaua'i took place to share progress and strategies between islands. "I think all of us here are philanthropic in some way, shape, or form," said Maui County Leadership Council member Kristina Lyons. "And when we work with and through the Hawai'i Community Foundation, it strengthens our efforts through information sharing and collaboration, so we have the bigger picture of what is happening."

Continued on next page

HFC 000058

Leading the Mission

A message from
the Chairman
and President & CEO



Paul Kosasa
Chairman of
the Board



Kelvin H. Taketa
President & CEO

Happy Holidays!

As 2012 comes to a close, we reflect on the Foundation's efforts of providing support to our community in these uncertain times, and we thank you, our donors and clients, for your partnership, generosity, and commitment to making Hawai'i a better place.

While it's true that the economy has shown signs of renewed health, many families are still struggling to find steady employment and provide for their most basic needs. A recent *Honolulu Star-Advertiser* article reported that the number of households in Hawai'i needing government cash subsidies increased by 20% since 2007. And although our nonprofit community has stepped up to help those in need during these difficult economic times, organizations themselves are confronted with adapting to ever more challenging circumstances. With continued government cuts and diminishing resources, nonprofits are dependent, now more than ever, on contributions from individuals and businesses.

In addition, what we've learned over time is that philanthropy alone cannot solve the challenges that we are faced with today. Thoughtful, smart giving, and giving when done together to support a common cause, can make the greatest impact and create lasting change.

This is a time to join forces and be as generous as possible. As you consider your year-end gifts, we encourage you to work with us so that you can achieve the best results with your philanthropy. Contact our philanthropic services team today, at clientservices@hcf-hawaii.org, 808-566-5560 or toll-free at 1-888-731-3863.

Brewing a legacy for the Kona community

Coffee has long been a mainstay for Kona on Hawai'i Island, and its multi-generation coffee farmers. To this day, many families in this tight-knit community continue the tradition and honor their heritage with each harvest.

At 80 years old, Ken Kawakami has fond memories of growing up on his family's seven-acre coffee farm in Captain Cook, which is located in South Kona. "We studied by candlelight and walked six miles to and from school every day," recalled Kawakami, who resides in Kaneohe. "We also used to go into the field with our kerosene lamps and waited for the sun to come up so we could pick coffee."

And while picking coffee beans by hand was not a job that Kawakami enjoyed much as a child, it was a way of life for his family, and valuable lessons, such as hard work and perseverance, were learned in the fields. "Ever since I could walk, coffee has been engrained in my life," said Kawakami, who was raised by his mother, along with six older siblings. "I knew it had to get done."

The recent passing of Kawakami's brother, Yasuo, marked the end of an era for the family, as he was the last member to live in Kona and work on the farm. With the support of the Hawai'i Community Foundation, Kawakami created the Kawakami Family

of Captain Cook Fund in 2011 to perpetuate his family's connection to the community through charitable giving.

"Kona has been home to the Kawakamis for four generations," said Lydia Clements, director of neighbor island philanthropic services at the Hawai'i Community Foundation. "This fund is a way for the family to give back to a place that they deeply care for by supporting programs that build the local culture, such as the Kona coffee culture."

Since its inception, the fund has made two grants to support the Kona Coffee Cultural Festival, a popular annual event that celebrates the community's rich coffee history. "The fund is perpetual, and my intent is to make sure that our name is kept alive in Hawai'i," said Kawakami. "I will continue to contribute to it and support good causes too."



From left: Mel Morimoto, president of the Kona Coffee Cultural Festival, and Ken Kawakami, creator of the Kawakami Family of Captain Cook Fund.

NILC Continued from page 1

Neighbor Island Leadership Council Member Facts:

- 26 current members
- 9 are Professional Advisors
- 13 volunteered as Advisory Committee Members and Scholarship Ambassadors
- 4 serve on the Foundation's Board of Governors

"Hawai'i Community Foundation provides financial strength and the expertise necessary to sustain philanthropic initiatives, creativity and generosity into our community."

— Nancy Budd, Kauai Leadership Council Member

"Life is getting more complicated and complex... so information becomes critical. The Foundation has the resources to help people focus on making the right decision for the community."

— Roberta Chu, Hawai'i Island Leadership Council Member

"The work that I have been involved with at the Hawai'i Community Foundation has been tremendous, and has brought expertise, friendships, and groups together. It has been very impactful."

— Glenn Yamasaki, Maui County Leadership Council Member

2012 Schools of the Future Conference Transforming learning for the 21st-century learner

FOR TWO DAYS IN LATE OCTOBER, over 1,000 public, private, and parochial school educators from across Hawai'i gathered at the Hawai'i Convention Center—not as teachers but as students. The eager learners were attendees at the fourth annual Schools of the Future conference which was organized, for the very first time, as a public/private partnership between the Hawai'i Association of Independent Schools (HAIS), the Hawai'i State Department of Education (DOE), the Hawai'i Society for Technology in Education (HSTE), and the Hawai'i Community Foundation (HCF). Each of the four partners, all of the 30 sponsors, and every single one of the conference presenters, keynote speakers, and educators in attendance share a common goal: preparing today's students for their 21st-century futures.



Teachers and students from Island Pacific Academy at the 2012 Schools of the Future Conference.

Changing schools for a changing world

Where once the "three Rs" served K-12 students well enough, the evolution from an agricultural to a manufacturing to an information economy now requires much more of high school graduates, if they are to realize the opportunities and deal with the challenges that they face. Schools of the Future needs to teach skills that businesses of the future require of their employees and communities demand of their citizens: collaborative problem solving, critical thinking, and creativity.

It's a very tall order, and one that is already underway in classrooms across the state. For a sense of the innovation occurring in our own backyard, one only has to look at the 60 sessions, most presented by locally based teachers on such timely topics as integrating Web 2.0 tools and media with the curriculum, remodeling learning environments, and building personal learning networks. The conference also featured sessions on school gardens, robotics, and many more transformational projects underway in local public and independent schools.

Innovation in the islands

"There's a lot of amazing learning going on here and many talented teachers who want to share what they are doing," said Phil Bossert, Ph.D., director, Institute for 21st-Century Teaching & Learning for the Hawai'i Association of Independent Schools. He should know. Along with five other members of the conference planning committee from the DOE and HAIS, he had the responsibility for sorting through 125 proposals to select which would be offered at the 2012 annual conference. Fellow planning committee member Hilary Apana-McKee, section administrator of the DOE's Office of Curriculum, Instruction and Student Support, was equally impressed by the caliber and range of innovation going on in Hawai'i and acknowledged the added value that comes when "teachers learn from other teachers."

One of those teacher-presenters was John Allen from Wa'anāe High School, who was joined by his former student Kalin Sandobal to talk about the innovative ways they are incorporating the iPad and its apps with the current curriculum. Teachers from

Kamehameha Schools Hawai'i elementary school demonstrated how their blogs enhance communication between teachers, students, and families.

A popular feature of this year's conference was the student showcase, where attendees could hear first-hand from students about their recent learning projects. The enthusiasm was palpable and the topics were wide-ranging: from interviewing elders about immigrating to Hawai'i, to producing alternative energy from H₂O; from participating in a digital learning community with a school in Mexico, to comparing the bacterial content of the human bladder and mouth. Students were teaching, teachers were learning.

The changing role of teachers

As educators move away from the "stand and deliver" model of teaching to project- or inquiry-based learning, they are no longer bound by what's in the library or what's in the classroom. New learning models enable the teacher to serve as a learning facilitator and to use technology to enhance their instruction and support the curriculum.

The Schools of the Future conference is an outgrowth of a five-year initiative launched in 2009 by HCF and HAIS—aimed at transforming the learning environments and teaching strategies of independent schools. A major component of the initiative is its community of learners, formed from the cohort of funded schools to address common areas of practice.

The conference is a vitally important way to broaden the community of learners because the future of schools depends on empowered communities of educators, policy makers, parents, and students. As one teacher said of the conference: "It was wonderful to be surrounded by hundreds of other people who really care about the future of teaching and learning."

Mahalo to HCF's donor advised funds that supported teacher scholarships to attend the conference. If you're interested in supporting teachers to attend next year's conference please contact Licia Hill at 566-5556 or lhill@hcf-hawaii.org.





827 Fort Street Mall
Honolulu, Hawaii 96813-4317

ADDRESS SERVICE REQUESTED

New Website Launches

We believe that philanthropy can be a powerful force for good.

To help us share this vision with others, the Hawaii Community Foundation is pleased to announce the launch of our new website. This site is designed to serve as a resource by offering innovative features and enhanced interactive tools to increase the level of participation and effectiveness of philanthropy and the nonprofit sector. The central theme is *Impact*, focused on sharing the knowledge of the collective difference the Foundation has made in our communities through the wide array of grantees, funding partners, and clients we have been privileged to serve over 96 years. Storytelling is essential to this website and we hope that you will be moved and impressed by the everyday stories of people dedicated to strengthening our communities.



We invite you to explore our new website at www.hawaiicommunityfoundation.org and share your stories and reactions with us.

For more information on connecting with a cause that you care about, please contact the Philanthropic Services Department at 808-566-5560 (toll-free at 1-888-731-3863) or e-mail clientservices@hcf-hawaii.org

www.hawaiicommunityfoundation.org

HFC 000061



HAWAII COMMUNITY FOUNDATION

Advisory Committee Appointments

| | | |
|--------------------------|--|---------------------------|
| Fund: | Annie Sinclair Knudsen Memorial Fund | |
| Purpose: | "To provide for educational, religious, charitable, and cultural purposes for the benefit of the people, flora and fauna and charitable organizations of the island of Kaua'i, State of Hawai'i." | |
| New Appointments: | Nancy Budd Attorney at Law Law Office of Nancy J. Budd | August 2009 -2012 |
| | <i>Hale 'Opio Kauai, Inc., Secretary, Board Member</i> <i>Kauai Academy of Creative Arts, Of Counsel</i> <i>Salvation Army, Kaua'i Advisory Board Member (Island-wide board)</i> <i>Hawai'i Justice Foundation, Board Member</i> <i>The Trust for Public Land, Grant Committee Member</i> <i>Save Koke'e, President, Board Member</i> | |
| | Nominated by: Tad Miura, Jr. & Sonia Topenio | |
| Current Terms: | Tad Miura, Jr. (Chair) | August 2004-2010 |
| No Action | President M. Miura Store, Inc. Nominated by: Myles Shibata | |
| | Sonia Topenio Vice President Bank of Hawaii Nominated by: Tad Miura, Jr. | August 2004 - 2010 |

October 6, 2009

Ms. Nancy Budd
Attorney at Law
Law Office of Nancy J. Budd
4374 Kukui Grove St., Ste. 103
Lihue, HI 96766

Dear Nancy:

On behalf of the Board of Governors of the Hawaii Community Foundation, I'd like to thank you for volunteering to serve on the Annie Sinclair Knudsen Memorial Fund Advisory Committee.

As an Advisory Committee member, your initial role is to work with the Foundation staff to define the grant making criteria within the broad purpose of the fund. After establishing the grant making program, your role will be to review grant applications and make recommendations to HCF on funding. As we do for all funds with an Advisory Committee, the Foundation will receive all proposals, provide you with a copy of the proposals for your review and recommendations and will receive final reports on the use of the funds.

You have been appointed for a three-year term, August 2009 – August 2012. While you have been nominated by the member of the Annie Sinclair Knudsen Memorial Fund, your appointment is specific to you as an individual. Advisory Committees do not have alternates so if you find that you cannot fulfill this commitment, please let me know and the Foundation will request your nominating body to identify another individual, who will also need to be appointed by the Foundation's Board of Governors.

If you have any questions regarding your appointment, please call me at 245-4585.

Again, thank you for serving on this advisory committee and we look forward to working with you in the coming years.

Warm Regards,

Darcie Yukimura
Philanthropic Services Officer



HAWAII COMMUNITY FOUNDATION

Advisory Committee Appointments

Fund: **Annie Sinclair Knudsen Memorial Fund**

Purpose: "To provide for educational, religious, charitable, and cultural purposes for the benefit of the people, flora and fauna and charitable organizations of the island of Kaua'i, State of Hawai'i."

New Appointments:

Nancy Budd
Nominated by:
A.S. Knudsen Memorial Fund

2nd - 3 Year Term ends
August 30, 2015

Bernadette H. Sakoda
Nominated by:
A.S. Knudsen Memorial Fund

2nd - 3 Year Term ends
September 30, 2016

Samuel W. Pratt
Nominated by:
A.S. Knudsen Memorial Fund

2nd - 3 Year Term ends
September 30, 2016

Current Terms:

Nancy Budd
Nominated by:
A.S. Knudsen Memorial Fund

1st - 3 Year Term ends
August 30, 2012

Bernadette H. Sakoda
Nominated by:
A.S. Knudsen Memorial Fund

1st - 3 Year Term ends
September 30, 2013

Samuel W. Pratt
Nominated by:
A.S. Knudsen Memorial Fund

1st - 3 Year Term ends
September 30, 2013



HAWAII COMMUNITY FOUNDATION

Advisory Committee Appointments

Fund: County of Kauai Fund

Purpose: "To provide support to Kauai Preschools and After School Programs."

New Appointments:

Nancy Budd
Nominated by:
A.S. Knudsen Memorial Fund

1 Year Term ends
December 31, 2014

Bernadette H. Sakoda
Nominated by:
A.S. Knudsen Memorial Fund

1 Year Term ends
December 31, 2014

Samuel W. Pratt
Nominated by:
A.S. Knudsen Memorial Fund

1 Year Term ends
December 31, 2014



HAWAII COMMUNITY
FOUNDATION

*Connecting people who care
with causes that matter*

Kauai Office

Serving the islands and people of Kauai and Niihau

The Kauai office opened in 2001 and today it continues to be a trusted resource for nonprofit organizations and philanthropists.

Contact Us:

Darcie Yukimura, Senior Philanthropic Services Officer

dyukimura@hcf-hawaii.org

Uri Martos, Philanthropic Services Assistant

umartos@hcf-hawaii.org

4139 Hardy Street, Suite C

Lihue, Hawaii 96766

Tel: 808-245-4585

Fax: 808-245-5189

A distinctive island perspective

We offer information and support to nonprofits throughout Kauai County, including grants from funds administered by Hawaii Community Foundation. Among these are the Annie Sinclair Knudsen Memorial Fund, the Kauai Aloha Endowment Fund, and the Kauai Island Fund. Our experienced staff members are well connected and know where the opportunities and needs exist. They also know how to achieve results.

Kauai Leadership Council

These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to Kauai.



Charles King, Chair



Nancy J. Budd



Roberta J. Cable



Joy Miura Koerte



Katherine G. Richardson



Sonia Topenio



Millicent L. Wellington

Neighbor Island Leadership Councils

Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

HAWAII ISLAND

Barry K. Taniguchi, *Chair*
Laurie T. Ainslie
Darl C. Gleed
Robert W. Hastings, II
Richard Henderson
Margaret K. Masunaga
Dwayne Miyashiro
Thomas P. Whittemore

KAUA'I

Charlie King, *Chair*
Nancy Budd
Roberta Wallace Cable
Nancy Goodale
Warren Haruki
Myles S. Shibata
Glen Takenouchi
Millie Wellington
Jan C. Rudinoff, *Emeritus Member*

MAUI

Eugene Bal, III, *Chair*
John C. Baldwin
Maggie Cole
Patrick L. Ing
Sam S. Kadotani
B. Martin Luna
Mino McLean
Howard Nakamura
Lois E. Reiswig
Leona Rocha Wilson
William C.N. Wong, *Emeritus Member*

2006 Neighbor Island Leadership Councils

*Leadership Councils help
neighbor island staff to further
the Foundation's mission.
These community-minded
volunteers open doors to
form new partnerships
and provide advice on
issues relevant to their
respective islands.*

HAWAII ISLAND

Barry K. Taniguchi, *Chair*
Laurie T. Ainslie
Darl C. Gleed
Robert W. Hastings, II
Richard Henderson
Lynn Lally
Margaret K. Maunaga
Dwayne Miyashiro
Thomas P. Whittemore

KAUAI

Charlie King, *Chair*
Nancy Budd
Robert Wallace Cable
Nancy Goodale
Warren Haruki
Lynn P. McCrory
Myles S. Shibata
Glen Takenotuchi
Millie Wellington
Jan C. Rudinoff,
Emeritus Member

MAUI

Eugene Bal, III, *Chair*
John C. Baldwin
Maggie Cole
Patrick L. Ing
B. Martin Luna
Mino McLean
Howard Nakamura
Lois E. Reiswig
Leona Rocha Wilson
Sam S. Kadotani,
Emeritus Member
William C.N. Wong,
Emeritus Member

The Hawaii Community Foundation
and First Hawaiian Bank announce
formation of the Jack and Marie
Lord perpetual charitable fund with
assets in excess of \$40 million.

HCF is one of the 40 largest
community foundations
among nearly 700 nationwide,
with charitable community
assets of \$405 million.



1916-
2006

90 YEARS of Service to the Community

2007 Neighbor Island Leadership Councils

Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

Hawai'i Island

Laurie T. Amslie, *Chair*
 Roberta Chu
 John De Fries
 Earl C. Gleed
 Robert W. Hastings, II
 Richard Henderson
 Lynn Lally
 Margaret K. Masunaga
 Barry K. Taniguchi
 Thomas Whittemore

Kaua'i

Charlie King, *Chair*
 Nancy J. Budd, Esq.
 Nancy S. Goodale
 Warren H. Hartki
 Lynn P. McGroarty
 Glen H. Takenouchi
 Roberta J. Wallace Cable
 Millicent L. Wellington
 Rev. Jan C. Rudinoff,
Emeritus Member
 Myles S. Shibata,
Emeritus Member

Maua'i

Eugene Bai, III, *Chair*
 John C. Baldwin
 Maggie Cole
 Patrick L. Ing
 B. Martin Luna
 Mino McLean
 Howard Nakamura
 Lois E. Reiswig
 Leona Rocha Wilson
 Sam S. Kadotani,
Emeritus Member
 William C.N. Wong,
Emeritus Member

Neighbor Island Leadership Councils

2008

Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

MAUI

Maggie B. Cole, *Chair*
Gilbert Keith-Agaran
Eugene Bal, III
Julie Ford
Honey Bun Haynes
Patrick L. Ing
Alec McBarnet
Mino McLean
Lois E. Reiswig
Pamela Tsutsui
Leona Rocha Wilson
John C. Baldwin,
Emeritus Member
Sam S. Kadotani,
Emeritus Member
B. Martin Luna,
Emeritus Member
Howard Nakamura,
Emeritus Member
William C.N. Wong,
Emeritus Member

KAUAI

Charlie King, *Chair*
Nancy J. Budd, Esq.
Roberta Wallace Cable
Nancy S. Goodale
Warren H. Haruki
Lynn P. McCrory, RRP
Glen H. Takenouchi
Millicent L. Wellington
Reverend Jan C. Rudinoff,
Emeritus Member

HAWAII ISLAND

Laurie T. Ainslie, *Chair*
Roberta Chu
John De Fries
Darl G. Gleed
Robert W. Hastings, II
Lynn Lally
Margaret K. Masunaga
Barry K. Taniguchi
Thomas P. Whittemore

2009 Neighbor Island Leadership Councils

Leadership councils help neighbor island staff to further the foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

Hawaii Island

Laurie T. Ainslie, *Chair*

Robertia Chu

John De Pries

Darl C. Gleed

Robert W. Hastings, II

Lynn Lally

Margaret K. Masunaga

Barry K. Taniguchi

Thomas P. Whittemore

Kauai

Charlie King, *Chair*

Nancy J. Budd

Roberta Wallace J. Cable

Warren H. Hanuki

Lynn P. McCrory

Katherine G. Richardson

Glen H. Takenouchi

Millicent L. Wellington

Reverend Jan C. Rudinoff,

Emeritus Member

Mau

Maggie B. Cole, *Chair*

Eugene Bal, III

Julia M. Ford

Honey Bun Haynes

Patrick L. Ing

Alec McBarner, Jr.

Mino McLean

Lois E. Reitswig

Pamela Tsutsui

Leona Rocha Wilson

Glenn Yamasaki

Sam S. Kadorani,

Emeritus Member

B. Martin Luna,

Emeritus Member

Howard Nakamura,

Emeritus Member

William C. N. Wong,

Emeritus Member

Stewards of the Community

This year's annual report is substantially reduced in size and printing costs. Dollars saved on our end means more dollars distributed to help our community, and we encourage recipients of all our printed materials to let us know – call (808) 566-5527 – if they would like to receive it in electronic form. Or visit our web site, www.hawaiicommunityfoundation.org, for the latest information and announcements.



2010 BOARD OF GOVERNORS

* The Board of Governors establishes policy, sets organization-wide priorities and program strategies, and ensures that the financial stewardship and operations of the Foundation are conducted with integrity and accountability.

| | | |
|---|---|--|
| Paul Kosasa, Chairman President & CEO ABC Stores | Gary Caulfield Vice Chairman First Hawaiian Bank | Charlie King President King Auto Center |
| Claire L. Asam, Ph.D., Vice Chair Trustee Queen Lili'uokalani Trust | Maggie B. Cole Community Volunteer | Bert A. Kobayashi, Jr. President & CEO Kobayashi Group |
| Jean E. Cornuelle, Secretary Community Volunteer | Anthony R. Guerrero, Jr. Vice Chairman (Retired) First Hawaiian Bank | Cathy Luke President Loyalty Enterprises, Ltd. |
| Samuel A. Cooke, Treasurer Senior Vice President (Retired) Morgan Stanley Dean Witter | Richard W. Gushman, II President DGM Group, Inc. | David Nakada Executive Director Boys and Girls Club of Hawai'i |
| Laurie T. Ainslie Community Volunteer | Honey Bun Haynes Community Volunteer | Barry K. Taniguchi President & CEO KTA Super Stores |
| Robert R. Bean President & CEO Alert Holdings Group, Inc. | Lawrence M. Johnson Chairman of the Board of Directors & CEO (Retired) Bank of Hawai'i | Eric K. Yeaman President & CEO Hawaiian Telecom |
| Mary G.F. Bitterman President The Bernard Osher Foundation | Micah A. Kane Trustee Kamehameha Schools | |

2010 NEIGHBOR ISLAND LEADERSHIP COUNCILS

* Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

| HAWAII ISLAND | KAUAI | MAUI | |
|-----------------------------------|---|--------------------------------|--|
| Laurie T. Ainslie <i>Chair</i> | Charlie King <i>Chair</i> | Maggie B. Cole <i>Chair</i> | Sam S. Kadotani <i>Emeritus Member</i> |
| Roberta Chu | Nancy J. Budd | Eugene Bai, III | B. Martin Luna <i>Emeritus Member</i> |
| John De Fries | Roberta J. Cable | Julia M. Ford | Howard Nakamura <i>Emeritus Member</i> |
| Dad C. Gleed | Lynn P. McGorry | Honey Bun Haynes | William C. N. Wong <i>Emeritus Member</i> |
| Robert W. Hastings, II | Warren H. Hatuki | Patrick L. Ing | |
| Brian M. Iwata | Katherine G. Richardson | Mino McLean | |
| Lynn Lally | Glen H. Takenouchi | Lois E. Reiswig | |
| Barry K. Taniguchi | Millicent L. Wellington | Pamela Tsutsui | |
| Lynn White | | Leona Rocha Wilson | |
| | | Glenn Yamasaki | |
| | Reverend Jan C. Rudinoff <i>Emeritus Member</i> | | |

2011

Neighbor Island Leadership Councils



Lois E. Reiswig

President, West Maui Cultural Council
Leadership Council Member, Maui
Edith-Wilhelmina Sherock Fund

Hawai'i Community Foundation is a nonprofit organization that is in the business of caring for people in Hawai'i. The reason the Foundation is as effective as it is, is because they have personnel located throughout the various islands that interact with organizations and can personally assess their needs. As a donor with a fund at HCF, you can be assured that the funds that are released go to groups that you personally hold in high regard. If living, a donor can be involved with the assessment or designate specifically where the funds should go. Beyond your lifetime, you can be assured that the funds will be distributed based on your guidelines and "legacy" interests.

Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

Hawai'i Island

Darl C. Gleed, *Chair*
Laurie T. Ainslie
Roberta Chu
John De Eries
Robert W. Hastings, II
Brian M. Iwata
Lynn Lally
Barry K. Taniguchi
Lynn White

Kaua'i

Charlie King, *Chair*
Nancy J. Budd
Roberta J. Cable
Joy Miura Koerte
Lynn P. McCrory
Katherine G. Richardson
Glen H. Takenouchi
Sonja Topenio
Millicent L. Wellington
Reverend Jan C. Rudinoff,
Emeritus Member

Maui

Maggie B. Cole, *Chair*
Eugene Bal, III
Honey Bun Haynes
Patrick L. Ing
Lois E. Reiswig
Leona Rocha Wilson
Glenn Yamasaki
Sam S. Kadorani,
Emeritus Member
B. Martin Luna,
Emeritus Member
Howard Nakamura,
Emeritus Member
William C.N. Wong,
Emeritus Member



Reverend Jan C. Rudinoff

Past Board of Governors
Leadership Council, Kaua'i, *Emeritus Member*

It continues to underline Hawai'i as a community, diverse yet dependent on each other for the well being of all. The Foundation has shown me that folk with different political and religious persuasion, as well as economic circumstances can come together to serve the community's needs.



Joy Miura Koerte

Partner, Fujita & Miura Public Relations, Inc.
Leadership Council Member, Kaua'i

Hawai'i Community Foundation brings resources to people in need and people in need to resources. It bolsters Hawai'i's nonprofit industry, which directly benefits the islands' people. Significantly, the Foundation is a positive force in our community that perpetuates two key components of Hawai'i's culture: 'ohana-style living (treating each other as family, sticking together, and taking care of our own) and reciprocity (mutually giving and receiving).



Bill Hastings

Attorney
Professional Advisor, Hawai'i Island

HCF is a wonderful "community chest" that is well-run and provides substantial benefits through the funds it manages to many nonprofit organizations throughout the state and to many students through the scholarship funds it manages.

2012 Neighbor Island Leadership Councils

Leadership Councils help neighbor island staff to further the Foundation's mission. These community-minded volunteers open doors to form new partnerships and provide advice on issues relevant to their respective islands.

● Hawai'i Island

Darl C. Gleed, *Chair*

Laurie T. Ainslie

Roberta Chu

John De Fries

Robert W. Hastings, II

Brian M. Iwata

Lynn Lally

Barry K. Taniguchi

Lynn White

● Kaua'i

Charlie King, *Chair*

Nancy J. Budd

Roberta J. Cable

Joy Miura Koerte

Katherine G. Richardson

Glen H. Takenouchi

Sonia Topenio

Millicent L. Wellington

● Maui County

Honey Bun Haynes, *Chair*

Eugene Bai, III

Maggie B. Cole

Patrick L. Ing

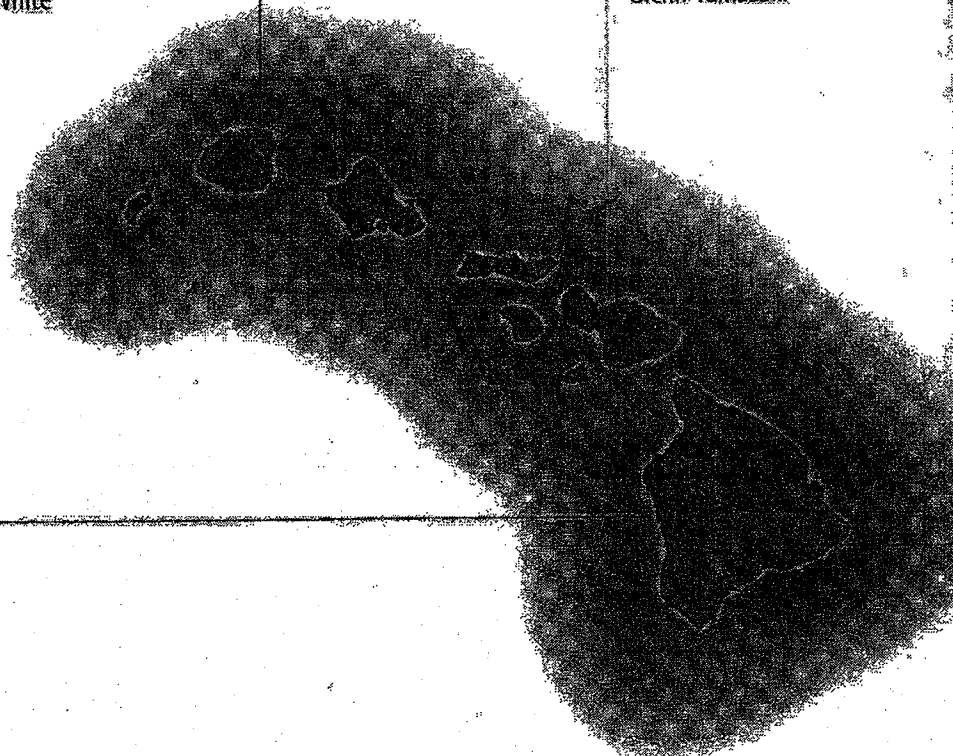
Kristina Lyons Lambert

Mino McLean

Lois E. Reiswig

R. Clay Sutherland

Glenn Yamasaki





HAWAII COMMUNITY FOUNDATION

March 1, 2013

Ms. Nancy J. Budd
4374 Kukui Grove Street, Suite 103
Lihue, HI 96766-2007

Dear Nancy,

I am pleased to inform you that you have been nominated to receive the **2013 Professional Advisors in Philanthropy Award!** As you know, the Hawai'i Community Foundation works closely with professional advisors to help their clients fulfill their philanthropic goals. We believe that professional advisors who incorporate the charitable question in their advice and counsel to individuals, families and corporations better serve their client's needs as well as the community. You exemplify the practice of incorporating philanthropy into your everyday work and we want to recognize you as one of the honorees for this inaugural award.

If you agree to accept this award, we would like to recognize you in the following ways:

- In your honor, a grant award of \$2,000 will be made to a Hawai'i charity of your choice.
- You will be our guest of honor at our **2013 Professional Advisors Reception** on October 23, 2013. No worries! No speeches required! We just ask that you attend and be recognized by the foundation and your peers. We will also announce the charity you have selected unless you prefer that to remain anonymous.
- We will recognize your award in your preferred professional news publication.
- Hawai'i Community Foundation will feature a story about our **Professional Advisors in Philanthropy** awardees on its website, and through video stories and its donor newsletter which is distributed to 2,400 Foundation friends, donors, partners and nonprofit organizations.
- We will produce an HCF video vignette. We would like to share your story of how you helped create charitable opportunities for Hawai'i by way of a short video. Your story is an inspiration to us and should be shared with other professional advisors in the state. Your story does not need to involve a gift to the Hawai'i Community Foundation- we know that many organizations have benefitted from your philanthropic advice.



HAWAII COMMUNITY FOUNDATION

BOARD OF GOVERNORS MEETING

Thursday, February 21, 2013

Kuleana Board Room

C. Brewer Building

827 Fort Street Mall, Honolulu, HI 96813

MINUTES

MEMBERS PRESENT:

Paul Kosasa, *Chair*
Barry Taniguchi
Bob Bean
Bob Harrison
Cathy Luke
Charlie King
Deborah Berger
Dick Gushman
Eric Yeaman
Gary Caulfield
Honey Bun Haynes
James Wei
Jennifer Sabas
Micah Kane
Michael Broderick
Tyrie Lee Jenkins

MEMBERS ABSENT:

Colbert Matsumoto
Elizabeth Rice Grossman
Mary Bitterman
Peter Ho

STAFF PRESENT:

Kelvin Taketa, *President & CEO*
Chris van Bergeijk, *Vice President & Chief Operating Officer*
Kate Lloyd, *Vice President Operations & General Counsel*
Martha Ross, *Vice President, Programs*
Myles Shibata, *Vice President Philanthropic Services*
Tom Kelly, *VP, Knowledge, Evaluation & Learning*
Wally Chin, *CFO & VP of Finance*
Colleen Sotomura, *Communications Director*
Susan Jackson, *Director*
Kawehi Yim, *Executive Assistant*

Chair Paul Kosasa called the meeting to order and introduced incoming Board of Governors Dr. Tyrie Lee Jenkins and Michael Broderick.

Wally Chin introduced new HCF staff member Forest Frizzell, the Foundation's Chief Information Officer.

I. CONSENT AGENDA

Upon motion duly made and seconded, the following items were noted and approved.

A. Meeting Minutes

1. December 13, 2012 Full Board Meeting Minutes.

B. Fund Administration*

1. Annie Sinclair Knudsen Memorial Fund

Nancy Budd – 2nd – 3-year term ending August 30, 2015

Bernadette H. Sakoda – 2nd 3-year term ending September 30, 2016

Samuel W. Pratt – 2nd 3-year term ending September 30, 2016

2. Lana'i Community Benefit Fund

Mary Lou Kaukeano – Appointment March 1, 2013 to February 28, 2016

Alan Sanchez – Appointment March 1, 2013 to February 28, 2016

Lisa Grove – Appointment March 1, 2013 to February 28, 2016

C. Delegation of Grantmaking Authority*

The Board of Governors approved and adopted the Delegation of Grantmaking Authority and the respective processes for grant approval.

D. Corporate Resolutions*

E. Fourth Quarter Funds Distribution Report*

The Board of Governors ratified the grants made by the Foundation for the 2012 fourth quarter.

II. REPORT ITEMS

A. Year End Report – *Kelvin Taketa*

1. Progress Against Major Priorities

Board of Governors Meeting
February 21, 2013

B. Annual Program Reports & Updates

Board of Governors Meeting
February 21, 2013

**Board of Governors Meeting
February 21, 2013**

C. Committee Reports and Updates

Board of Governors Meeting
February 21, 2013

III. STRATEGY DISCUSSION

Board of Governors Meeting
February 21, 2013

B. Charitable Deduction Cap Legislation – *Kate Lloyd*

Board of Governors Meeting
February 21, 2013

IV. PRESENTATION ON PRELIMINARY FINDINGS OF NON-PROFIT INDUSTRY STUDY – Tom Kelly, VP for Knowledge, Evaluation & Learning

V. EXECUTIVE SESSION

The Board of Governors convened for an Executive Session with the President & CEO. Following this, the President was excused and the Board convened for a second executive session.

VI. INFORMATIONAL ITEMS

- A. 2013 Board of Governors Meeting Schedule**
The Board noted the 2013 schedule.

Board of Governors Meeting
February 21, 2013

B. Media Summary

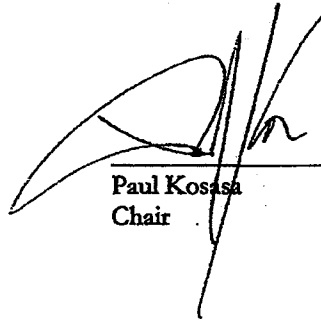
The Board noted the media summary report.

Chair Paul Kosasa adjourned the meeting following the Executive Session.

Approved by,



Kelvin H. Taketa
President & CEO


Paul Kosasa
Chair



HAWAII COMMUNITY FOUNDATION

BOARD OF GOVERNORS MEETING

Thursday, September 10, 2009 12:00 NOON
Cleghorn President's Room, Pacific Club
1451 Queen Emma Street, Honolulu, HI 96813

MINUTES

MEMBERS PRESENT:

Barry Taniguchi, *Board Chair, presiding*
Claire Asam
Cathy Luke
Charlie King
David Nakada
Dick Gushman
Eric Yeaman
Gary Caulfield
Honey Bun Haynes
Jennifer Sabas
Larry Johnson
Larry Stupski
Laurie Ainslie
Micah Kane
Peter Ho
Sam Cooke

MEMBERS ABSENT:

Maggie Cole
Paul Kosasa
Tony Guerrero, Jr.

STAFF PRESENT:

Kelvin Taketa, *President & CEO*
Chris van Bergeijk, *Vice President Programs*
Kate Lloyd, *Vice President Operations, General Counsel*
Myles Shibata, *Vice President Philanthropic Services*
Licia Trotter, *Executive Assistant*
Wally Chin, *Controller*
Pi'ikea Miller, *Senior Program Officer*

GUEST SPEAKERS:

Robert Witt, HAIS
Phil Bossert, HAIS

Chair Barry Taniguchi called the meeting to order.

I. CONSENT AGENDA

Upon motion duly made and seconded, the following items were noted and approved:

- Full Board Meeting Minutes, May 28, 2009
- Change in Kahuku Advisory Committee Terms to reflect a six month extension of previous terms to better reflect grantmaking cycle and neighborhood board terms
 - Dee Dee Letts – January 1, 2008 – June 30, 2010
 - Leslie Llanos – January 1, 2009 – June 30, 2010
 - Margaret Primacio – January 1, 2008 – June 30, 2010
 - Warren Soh – January 1, 2008 – June 30, 2011
 - Kahealani Hurlbert To'omalatai – January 1, 2009 – June 2012
- Anne Sinclair Knudsen Memorial Fund Advisory Committee Appointment
 - Nancy Budd – three year term, August 2009 - 2012
- West Hawaii Fund Advisory Committee Appointment
 - Barbara Kildow, M.Ed – two year term, September 2009-December 2011
- 2009 Funds Distribution Report for Second Quarter
- Stupski Family Fund Grant for \$153,750 to Teach for America (*Recusal by Larry Stupski and Peter Ho*)
- Pledge from the Pierre & Pamela Omidyar Fund to Punahou School (*A request from Kelvin was made to keep this confidential until it is formally announced*)

II. DISCUSSION/ACTION ITEMS

A. Q2 2009 President's Report

Board of Governors Meeting
September 10, 2009

B. Audit Committee Report

C. Trustee & Investment Review Committee Report

Board of Governors Meeting
September 10, 2009

D. UPMIFA Resolution

E. Marketing Committee Update

F. Program Updates & Approvals

III. 2010-12 PLAN FRAMEWORK EXECUTIVE SESSION

Staff was excused and an Executive Session of the Board was held with Kelvin, Myles, Chris and Kate in attendance to discuss the current economy in Hawaii and potential impacts to HCF's programs and financial outlook.

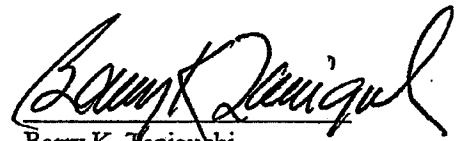
IV. SCHOOLS OF THE FUTURE PRESENTATION

V. INFORMATIONAL ITEMS

Approved by,



Kelvin H. Taketa
President & CEO



Barry K. Taniguchi
Chairman

MEMORANDUM



HAWAII COMMUNITY
FOUNDATION

Date: August 5, 2005

To: <who>

From: Kelvin Taketa

RE: August 4, 2005 Nominating & Governance Committee Meeting

A Nominating & Governance Committee meeting was convened on August 4, 2005. The following HCF staff and committee members were in attendance:

- Kelvin Taketa, Pres.
- Kate Lloyd, General Counsel & VP Charitable Planning
- Bill Mills, Chair
- Claire Asam
- Jennifer Sabas
- Jeffrey Watanabe
- Donna Tanoue
- Tony Guerrero

Absent: Bob Bean, Licia Trotter

The committee approved the following Leadership Council nominees:

- Kauai: Nancy Budd & Warren Haruki
- Maui: Patrick Ing & Mino McLean

The committee reviewed and briefly discussed the results of the 2005 Board survey.

Kelvin reviewed and discussed upcoming member rotation and renewal. He engaged the committee in a conversation around anticipated Board needs in 2006.



HAWAII COMMUNITY FOUNDATION

GIFT ACCEPTANCE GUIDELINES

(as of June 2011)

A. Introduction:

In order to protect the interest of Hawai'i Community Foundation (HCF) and the persons and other entities that support its programs, these guidelines are designed to ensure that all gifts to or for the use of HCF are structured to provide maximum benefits to the community and the parties involved.

One goal is to encourage contributions to HCF without encumbering the organization with gifts which may generate more cost than benefits, or which are restricted in a manner that is not in keeping with the goals of HCF. Another goal is to provide guidelines for gift acceptance that will give clear direction to staff and assist the Executive Leadership Team (ELT) and the Board of Governors in making appropriate decisions in the gifting process.

To optimize funding from individuals and other entities, HCF must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines and flexibility must be maintained since some gift situations can be complex and decisions can be only made after careful consideration of a number of interrelated factors.

It is also understood that in all matters involving donors or prospective donors, their interests shall come before those of HCF. No agreement, trust, contract or commitment of any kind shall be urged upon any donor that would benefit HCF at the detriment of the donor's best interest. All information concerning donors or prospective donors, including their names, the names of their beneficiaries, the amount of gifts and sizes of estates are confidential unless permission is obtained from the donors or prospective donors to release such information.

HCF will continue to serve as a vehicle for all forms of donor philanthropy consistent with our mission. Permanent endowment funds provide flexibility in meeting the community's future needs. Nonendowed funds generally provide more significant immediate funding and may engage certain donors. Both types of gifts should be encouraged.

Attracting unrestricted funds will be a priority of HCF, but we need to continue to be flexible regarding accepting restricted funds. Restricted and "noncompetitive" funds will continue to provide a crucial point of entry to HCF for many donors, and will form the basis of a relationship that might otherwise not be possible.

Background: A donor may choose to establish a fund in either trust or corporate form

1. Trust Form Gifts

A fund in trust form is actually an agreement between the donor and the trustee bank for the benefit of HCF. HCF as the beneficiary of the trust "acknowledges" the Gift Instrument. These gift instruments must have notarized signatures for the donor and the bank. The details of the relationship between HCF and the Trustee banks are laid out in the "Declaration of Trust" which is referenced in the Gift Instrument. Note that for gifts in Trust Form, we will need to obtain the consent of the trustee for any gifts other than cash or marketable securities. Donors that are referred to us by one of the trustee banks will most often prefer that the gift be in trust form.

2. Corporate Form Gifts

A fund established in corporate form is an agreement between the donor and HCF. These gift instruments do not need notarized signatures. This is a direct gift to HCF that we agree to hold as a separate fund. A fund established in corporate form will allow HCF more flexibility over the investments of the fund, i.e. we can change investment managers when we feel that is prudent to do so. A fund established in trust form is much more restrictive on how we participate in investment decisions. Both options should be presented to potential donors but HCF's preference is for corporate form gifts.

Payment of Fees Related to Gifts to Hawai'i Community Foundation:

HCF will not pay a fee to any person as consideration for directing a gift to HCF. HCF does not pay expenses of the donor (appraisals required, attorney fees, etc.)

B. Outright Gifts – Assets Accepted.

The following is a list of assets that can be accepted as an outright gift – and some of the considerations involved with each.

1. Cash, Checks & Credit Card Gifts

- a. Gifts in the form of cash, check and/or credit card can be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is legally competent to transfer the funds as a gift to HCF. All gifts of cash in excess of \$5000 should be brought to the attention of a the General Counsel/Vice President of Operations, Vice President/CFO or the President/CEO before receipt is acknowledged.
- b. Checks can be made payable to HCF or a component fund of HCF. The preferable method is to HCF with a notation as to the respective fund. For example – "Hawai'i Community Foundation – John Doe Fund", or "Hawai'i Community Foundation with "John Doe Fund" set forth in the memo section of the check.

- c. Credit card donations can be made to HCF through HCF's "My Giving Gateway" which is a feature made available through our fundraising software module. Donors can visit Hawaii Community Foundation - Online Community Landing Page, and search for an existing component fund that they wish to contribute to. Most component funds are listed but there are a few exceptions. It is important to note that the on-line payment process will assess a fee of 2.5% of the gift amount.

2. Publicly-Traded Securities

- a. Securities that are traded on the New York, American or NASDAQ Stock Exchanges can be accepted by HCF and it should be anticipated that such securities will be immediately sold. In no event shall any HCF employee commit to a donor that any security will be held by HCF, unless authorized to do so in advance by the General Counsel/Vice President of Operations, Vice President/CFO or the President/CEO.
- b. Philanthropic Services Staff should be familiar with, and have available corporate resolutions, stock powers, and broker information forms to be used in transferring stock and identifying the process of stock transfer. The corporate resolutions shall be signed by the Secretary of the Board.
- c. Valuation of the stock will be based on the median price between the high and low prices on the date of the gift as determined by IRS standards. Note that we do not state a value on the acknowledgment letter for stock gifts.
- d. The difference (either loss or gain) between the value of the gift of stock on the date of the gift and the proceeds we receive from the sale will not affect the value of the gift credited to the donor, but we will use net proceeds for purposes of historic gift value.

3. Closely-held Securities & Limited Partnership Interests

- a. Non-publicly traded securities (including "S" corporation stock) and/or limited partnership interests may be accepted by HCF but approval of these assets requires additional due diligence by staff and approval of the Vice President/CFO and General Counsel. It should be anticipated that such securities will be immediately sold, if possible. In no event shall an HCF employee commit to a donor that any security will be held by HCF, unless authorized to do so in advance by the General Counsel/Vice President of Operations, Vice President/CFO or the President/CEO.
- b. It is the donor's responsibility to obtain any necessary appraisals of these interests at the donor's cost. Note that appraisals of closely held securities can be quite costly and this should be discussed early in the gift consultation process with potential donors. Note also, that the receipt of limited partnership interests, and/or closely held business interests may create unrelated business taxable

income for HCF. This should be discussed in advance with the Vice President/CFO.

- c. Note on contributions of closely held business interests to create or add to a Donor Advised Fund (DAF). The Pension Protection Act of 2006 extended the application of the "Excess Business Holding" provisions to donor advised funds. Any gift of a closely held business interest to a donor advised fund must be reviewed by General Counsel and/or outside legal counsel in advance to see if the gift will subject the Fund to these provisions. Note that if applicable, the DAF must divest itself of the business interest within five (5) years.

4. Restricted Securities.

These are shares of stock that are subject to certain restrictions placed on the ability to transfer the shares. Shares of public or non-public securities subject to "Rule 144" should be held in HCF's corporate name to avoid material restriction regulations. It is the donor's responsibility to obtain any necessary appraisals of the securities at the Donor's cost. Note that specific valuation means are used since the "lock-up" requirement often depresses the price.

5. Real Estate.

Real estate can be accepted by HCF as a charitable gift on a case by case basis. There is significant due diligence required for real estate gifts and many tax and other considerations for both the potential donor and HCF. In order for the gift to have desired tax benefits for the donor, real property typically needs to be given to HCF PRIOR to selling it or committing to sell it, and HCF will need to be involved in the sale. If a donor is considering a gift of real estate, please consult General Counsel as soon as possible to establish the appropriate level of due diligence for the gift. Below are some of the key considerations/ issues involved in real estate gifts.

- a. Prior to acceptance, the potential donor must obtain an independent appraisal by a qualified appraiser mutually agreed upon by the donor and HCF. The appraisal must be current, within at least 60 days of date of the gift.
- b. In general, real estate located outside of the State of Hawai'i will not be accepted as a gift unless it appears to have a value in excess of \$1,000,000 and there is reason to believe it is highly marketable. The Trustee & Investment Review Committee (TIRC) may make an exception to this policy if conditions warrant.
- c. If the potential real estate gift is intended to fund a charitable gift annuity, an assessment shall be made as to whether the gift annuity will be beneficial to HCF considering the net sales proceeds in relation to the required annuity payments, and the marketability of the property. Prior approval of the annuity contract and acceptance of the real estate by the TIRC is required.
- d. Generally, real estate encumbered by a mortgage, is not acceptable unless the donor intends to remove the encumbrance prior to making the gift. Note that

receipt of such property as a contribution may give rise to unrelated business income for HCF, unless handled in a proper manner.

- e. No gift of real estate shall be accepted without first being referred to the TIRC for review and approval, including at minimum, an appraisal, title search, environmental hazard review and tax assessment.
- f. Time share interests are sometimes considered real property interests and sometimes contractual interests. Gifts of time share interests can be made through "Donate for a Cause" which specializes in the disposition of time share interests for charitable purposes. Note that the fee associated with disposing of the time share can be 50% of the charitable gift. Although the donor will receive a tax deduction for the fair market value, any proceeds for a fund will be significantly reduced.

6. Tangible Personal Property.

Tangible property such as art work and jewelry may be accepted as a charitable contribution by HCF. Gifts of tangible personal property will be accepted only after a thorough review that indicates that the property is 1) readily marketable or 2) can be used by HCF in a manner which is related to one of the purposes for which tax exempt status of HCF was granted. (For example – display of art pieces by well known local artists). This determination must be made by the General Counsel/Vice President of Operations, Vice President/CFO or the President/CEO.

In most cases, however, it should be anticipated that the property will be sold and the proceeds used to establish or add to a fund at HCF. The donor should be informed that the income tax benefit from a donation of tangible personal property which will not be used by HCF, is less than that for gifts of cash, securities and real estate. The potential donor should be urged to consult their tax advisor for details on the deductibility.

If a proposed gift of tangible personal property is approved, HCF will acknowledge receipt of the gift, but will not appraise or assign a value to the gift. It is the donor's responsibility to establish a value for the gift, determine the deductibility and to provide, at the donor's expense, a qualified appraisal required by the IRS in the case of gifts of personal property valued in excess of \$5,000. Also, at this level the IRS forms 8283 and 8282 may need to be filed with the IRS within two (2) years of the gift date. The value of the gift for purposes of historic gift value shall be the value established by the appraisal.

Deferred Gifts

1. Legacy Gifts

- a. Gifts through wills and trusts shall be actively encouraged by HCF. In the event of an inquiry by a prospective donor, representations as to the future acceptability of property proposed to be left to HCF in a will, trust or other deferred gift shall only be made in accordance with the terms and provisions of *Section B Outright Gifts – Assets Accepted*, above, of this document.

- b. Gifts from estates consisting of real property that is not acceptable shall be rejected only by the action of the TIRC. HCF shall communicate the decision of the gift acceptance to the legal representative of the estate as soon as possible.

2. Retained Life Estate

HCF can accept the gift of a personal residence where the donor retains the right to occupy the property for life if the property has been accepted through acceptance policies relating to real estate under *Section B. Outright Gifts – Assets Accepted*, above, and when there is clear agreement regarding ongoing maintenance responsibilities during the life of the donor.

3. Charitable Remainder and Charitable Lead Trusts

- a. A Charitable Remainder Trust is an irrevocable gift into a trust where the donor retains an income stream and the remainder that is left after the donor passes away or the term ends, is left to charity. A Charitable Lead Trust is an irrevocable trust where a charity receives an income stream for a specified period. HCF will consent to be named as the beneficiary of either type of trust. HCF may consider serving as trustee of either type of trust.
- b. Charitable Trusts can generally be created using one of the assets described in *Section B Outright Gifts – Assets Accepted*, above, but may have differing tax consequences depending on the type of asset used. Donors contemplating this type of gift should be encouraged to retain independent counsel. General Counsel for HCF should also be brought in at the earliest possible time to help assess the potential gift.
- c. Charitable remainder trusts shall be encouraged as a method of making gifts to HCF while retaining income. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

4. Life Insurance Policies.

Gifts of life insurance policies may be accepted as a contribution by HCF where HCF is named as both owner and beneficiary. Prior to accepting a policy requiring ongoing premium payments, HCF shall arrange with the donor how such premiums will be paid. In some cases the donor will make a contribution to HCF and we will pay the premium. In other cases, the donor may prefer to make the payment directly. It is the preference of HCF that the donor makes a contribution to us and we make the premium payment. Please note that if HCF is simply named as the beneficiary, the donor will typically not receive a charitable deduction.

5. Retirement Plan Assets.

Donors may name HCF as the designated beneficiary of retirement plan assets as a way to establish or add to a component fund within HCF. These gifts should be made only with the participation of the donor's professional advisor and General Counsel for HCF.

6. Charitable Gift Annuities

HCF does issue Charitable Gift Annuities when this vehicle is appropriate for the donor and HCF. The minimums and parameters of the program are set forth in a separate document.

Use of Funds and Gift Restrictions

1. The Board of Governors shall use contributed funds in the manner designated by the donor so long as it is legal to do so and ethically acceptable to the Board of Governors. HCF staff will advise the donor if requested limitations for restrictions placed on the use of the gift being made to HCF are impractical or impossible. Where no compromise between the interests of the donor and the needs of HCF can be reached, the gift should be refused or returned by HCF.
2. In cases where the gift restriction is made without consultation with HCF (through bequest or other gift arranged without the knowledge of HCF and the donor is deceased) and the restricted use is impractical, illegal or impossible, the Board of Governors may exercise variance power as described in the Articles and bylaws of HCF, may seek judicial interpretation as to a proper future use of the funds by HCF, or may refuse the gift.



HAWAII COMMUNITY FOUNDATION

GIFT ACCEPTANCE GUIDELINES

(Adopted June 14, 2013)

A. Introduction:

In order to protect the interests of Hawai'i Community Foundation (HCF) and the persons and other entities that support its programs, these guidelines are designed to ensure that all gifts to or for the use of HCF are structured to provide maximum benefits to the community and the parties involved.

One goal is to encourage contributions to HCF without encumbering the organization with gifts which may generate more cost than benefits, or which are restricted in a manner that is not in keeping with the goals of HCF. Another goal is to provide guidelines for gift acceptance that will give clear direction to staff and assist the Executive Leadership Team (ELT) and the Board of Governors in making appropriate decisions in the gifting process.

To optimize funding from individuals and other entities, HCF must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines and flexibility must be maintained since some gift situations can be complex and decisions can be only made after careful consideration of a number of interrelated factors.

It is also understood that in all matters involving donors or prospective donors, their interests shall come before those of HCF. No agreement, trust, contract or commitment of any kind shall be urged upon any donor that would benefit HCF at the detriment of the donor's best interest. All information concerning donors or prospective donors, including their names, the names of their beneficiaries, the amount of gifts and sizes of estates are confidential unless permission is obtained from the donors or prospective donors to release such information.

HCF will continue to serve as a vehicle for all forms of donor philanthropy consistent with our mission. Permanent endowment funds provide flexibility in meeting the community's future needs. Nonendowed funds generally provide more significant immediate funding and may engage certain donors. Both types of gifts should be encouraged.

Attracting unrestricted funds will be a priority of HCF, but we need to continue to be flexible regarding accepting restricted funds. Restricted and "noncompetitive" funds will continue to provide a crucial point of entry to HCF for many donors, and may form the basis of a relationship that might otherwise not be possible.

Background: A donor may choose to establish a fund in either trust or corporate form

1. Trust Form Gifts

A fund in trust form is actually an agreement between the donor and a trustee bank for the benefit of HCF. HCF as the beneficiary of the trust "acknowledges" the Gift Instrument. These gift instruments must have notarized signatures for the donor and the bank. The details of the relationship between HCF and the Trustee banks are laid out in the "Declaration of Trust" which is referenced in the Gift Instrument. Note that for gifts in Trust Form, we will need to obtain the consent of the trustee for any gifts other than cash or marketable securities. Donors that are referred to us by one of the trustee banks will most often prefer that the gift be in trust form.

2. Corporate Form Gifts

A fund established in corporate form is an agreement between the donor and HCF. These gift instruments do not need notarized signatures. This is a direct gift to HCF that we agree to hold as a separate fund. A fund established in corporate form will allow HCF more flexibility over the investments of the fund, i.e. we can change investment managers when we feel that is prudent to do so. A fund established in trust form is much more restrictive on how we participate in investment decisions. Both options should be presented to potential donors when appropriate but HCF's preference is for corporate form gifts.

Payment of Fees Related to Gifts to Hawai'i Community Foundation:

HCF will not pay a fee to any person as consideration for directing a gift to HCF. HCF does not pay expenses of the donor (appraisals required, attorney fees, etc.)

B. Outright Gifts – Assets Accepted.

The following is a list of assets that can be accepted as an outright gift – and some of the considerations involved with each.

1. Cash, Checks & Credit Card Gifts

- a. Gifts in the form of cash, check and/or credit card payment can be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is legally competent to transfer the funds as a gift to HCF. All gifts of cash in excess of \$5000 should be brought to the attention of the Vice President/COO, Vice President/CFO or the President/CEO before receipt is acknowledged.
- b. Checks can be made payable to HCF or a component fund of HCF. The preferable method is to HCF with a notation as to the respective fund. For example – "Hawai'i Community Foundation – John Doe Fund", or "Hawai'i Community Foundation with "John Doe Fund" set forth in the memo section of the check.
- c. Credit card donations can be made to HCF through HCF's "My Giving Gateway" which is a feature made available through our fundraising software

module. Donors can visit Hawaii Community Foundation - Online Community Landing Page, and search for an existing component fund that they wish to contribute to. Most component funds are listed but there are a few exceptions. It is important to note that the on-line payment process will assess a fee of 2.5% of the gift amount.

2. Publicly-Traded Securities

- a. Securities that are traded on the New York, American or NASDAQ Stock Exchanges can be accepted by HCF and it should be anticipated that such securities will be immediately sold. In no event shall any HCF employee commit to a donor that any security will be held by HCF, unless authorized to do so in advance by the Vice President/COO, Vice President/CFO or the President/CEO.
- b. Philanthropic Services Staff should be familiar with, and have available corporate resolutions, stock powers, and broker information forms to be used in transferring stock and identifying the process of stock transfer. The corporate resolutions shall be signed by the Secretary of the Board.
- c. Valuation of the stock will be based on the median price between the high and low prices on the date of the gift as determined by IRS standards. Note that we do not state a value on the acknowledgment letter for stock gifts.
- d. The difference (either loss or gain) between the value of the gift of stock on the date of the gift and the proceeds we receive from the sale will not affect the value of the gift credited to the donor, but we will use net proceeds for purposes of historic gift value.

3. Closely-held Securities & Limited Partnership Interests

- a. Non-publicly traded securities (including "S" corporation stock) and/or limited partnership interests may be accepted by HCF but approval of these assets requires additional due diligence by staff and approval of the Vice President/CFO and Vice President/COO. It should be anticipated that such securities will be immediately sold, if possible. In no event shall an HCF employee commit to a donor that any security will be held by HCF, unless authorized to do so in advance by the Vice President/COO, Vice President/CFO or the President/CEO.
- b. It is the donor's responsibility to obtain any necessary appraisals of these interests at the donor's cost. Note that appraisals of closely held securities can be quite costly and this should be discussed early in the gift consultation process with potential donors. Note also, that the receipt of limited partnership interests, and/or closely held business interests may create unrelated business taxable income for HCF. This should be discussed in advance with the Vice President/CFO.

- c. Note on contributions of closely held business interests to create or add to a Donor Advised Fund (DAF). The Pension Protection Act of 2006 extended the application of the "Excess Business Holding" provisions to donor advised funds. Any gift of a closely held business interest to a donor advised fund must be reviewed by outside legal counsel in advance to see if the gift will subject the Fund to these provisions. Note that if applicable, the DAF must divest itself of the business interest within five (5) years.

4. Restricted Securities.

These are shares of stock that are subject to certain restrictions placed on the ability to transfer the shares. Shares of public or non-public securities subject to "Rule 144" should be held in HCF's corporate name to avoid material restriction regulations. It is the donor's responsibility to obtain any necessary appraisals of the securities at the donor's cost. Note that specific valuation means are used since the "lock-up" requirement often depresses the price.

5. Real Estate.

Real estate can be accepted by HCF as a charitable gift on a case by case basis. There is significant due diligence required for real estate gifts and many tax and other considerations for both the potential donor and HCF. In order for the gift to have desired tax benefits for the donor, real property typically needs to be given to HCF PRIOR to selling it or committing to sell it, and HCF will need to be involved in the sale. If a donor is considering a gift of real estate, please consult the Vice President/CFO, Vice President/COO or President/CEO as soon as possible to establish the appropriate level of due diligence for the gift. Below are some of the key considerations/ issues involved in real estate gifts.

- a. Prior to acceptance, the potential donor must obtain an independent appraisal by a qualified appraiser mutually agreed upon by the donor and HCF. The appraisal must be current, within at least 60 days of date of the gift.
- b. In general, real estate located outside of the State of Hawai'i will not be accepted as a gift unless it appears to have a value in excess of \$1,000,000 and there is reason to believe it is highly marketable. The Trustee & Investment Review Committee (TIRC) may make an exception to this policy if conditions warrant.
- c. If the potential real estate gift is intended to fund a charitable gift annuity, an assessment shall be made as to whether the gift annuity will be beneficial to HCF considering the net sales proceeds in relation to the required annuity payments, and the marketability of the property. Prior approval of the annuity contract and acceptance of the real estate by the TIRC is required.
- d. Generally, real estate encumbered by a mortgage, is not acceptable unless the donor intends to remove the encumbrance prior to making the gift. Note that receipt of such property as a contribution may give rise to unrelated business income for HCF, unless handled in a proper manner.

- e. No gift of real estate shall be accepted without first being referred to the TIRC for review and approval, including at minimum, an appraisal, title search, and environmental hazard review and tax assessment.
- f. Time share interests are sometimes considered real property interests and sometimes contractual interests. Gifts of time share interests can be made through "Donate for a Cause" which specializes in the disposition of time share interests for charitable purposes. Note that the fee associated with disposing of the time share can be 50% of the charitable gift. Although the donor will receive a tax deduction for the fair market value, any proceeds for a fund will be significantly reduced.

6. Tangible Personal Property.

Tangible property such as art work and jewelry may be accepted as a charitable contribution by HCF. Gifts of tangible personal property will be accepted only after a thorough review that indicates that the property is 1) readily marketable or 2) can be used by HCF in a manner which is related to one of the purposes for which tax exempt status of HCF was granted. (For example – display of art pieces by well known local artists) and the necessary staff time involved in liquidating the property has been considered and is appropriate given the value of the gift. This determination must be made by the Vice President/COO, Vice President/CFO or the President/CEO.

In most cases, it should be anticipated that the property will be sold and the proceeds used to establish or add to a fund at HCF. The donor should be informed that the income tax benefit from a donation of tangible personal property which will not be used by HCF, is less than that for gifts of cash, securities and real estate. The potential donor should be urged to consult their tax advisor for details on the deductibility.

If a proposed gift of tangible personal property is approved, HCF will acknowledge receipt of the gift, but will not appraise or assign a value to the gift. It is the donor's responsibility to establish a value for the gift, determine the deductibility and to provide, at the donor's expense, a qualified appraisal required by the IRS in the case of gifts of personal property valued in excess of \$5,000. The appraisal of the personal property needs to be of fair market value, not replacement value. If the property is a gem, HCF will require a GMI report. Also, at this level the IRS forms 8283 and 8282 may need to be filed with the IRS within two (2) years of the gift date. The value of the gift for purposes of historic gift value shall be the value established by the appraisal.

Deferred Gifts

1. Legacy Gifts

- a. Gifts through wills and trusts shall be actively encouraged by HCF. In the event of an inquiry by a prospective donor, representations as to the future acceptability of property proposed to be left to HCF in a will, trust or other deferred gift shall only be made in accordance with the terms and provisions of *Section B Outright Gifts – Assets Accepted*, above, of this document.
- b. Gifts from estates consisting of real property that is not acceptable shall be rejected only by the action of the TIRC. HCF shall communicate the decision of the gift acceptance to the legal representative of the estate as soon as possible.

2. Retained Life Estate

HCF can accept the gift of a personal residence where the donor retains the right to occupy the property for life if the property has been accepted through acceptance policies relating to real estate under *Section B. Outright Gifts – Assets Accepted*, above, and when there is clear agreement regarding ongoing maintenance responsibilities during the life of the donor.

3. Charitable Remainder and Charitable Lead Trusts

- a. A Charitable Remainder Trust is an irrevocable gift into a trust where the donor retains an income stream and the remainder that is left after the donor passes away or the term ends, is left to charity. A Charitable Lead Trust is an irrevocable trust where a charity receives an income stream for a specified period. HCF will consent to be named as the beneficiary of either type of trust. HCF may consider serving as trustee of either type of trust.
- b. Charitable Trusts can generally be created using one of the assets described in *Section B Outright Gifts – Assets Accepted*, above, but may have differing tax consequences depending on the type of asset used. Donors contemplating this type of gift should be encouraged to retain independent counsel. A designated staff member or retained counsel (if needed) for HCF should also be brought in at the earliest possible time to help assess the potential gift.
- c. Charitable remainder trusts shall be encouraged as a method of making gifts to HCF while retaining income. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

4. Life Insurance Policies.

Gifts of life insurance policies may be accepted as a contribution by HCF where HCF is named as both owner and beneficiary. Prior to accepting a policy requiring ongoing premium payments, HCF shall arrange with the donor how such premiums will be paid. In some cases the donor will make a contribution to HCF and we will pay the premium. In other cases, the donor may prefer to make the payment directly. It is the preference of HCF that the donor makes a contribution to us and we make the premium payment. Please note that if HCF is simply named as the beneficiary, the donor will typically not receive a charitable deduction.

5. Retirement Plan Assets.

Donors may name HCF as the designated beneficiary of retirement plan assets as a way to establish or add to a component fund within HCF. These gifts should be made only with the participation of the donor's professional advisor and designated staff member or retained counsel (if needed) for HCF.

6. Charitable Gift Annuities

HCF does issue Charitable Gift Annuities when this vehicle is appropriate for the donor and HCF. The minimums and parameters of the program are set forth in a separate document.

Use of Funds and Gift Restrictions

1. The Board of Governors shall use contributed funds in the manner designated by the donor so long as it is legal to do so and ethically acceptable to the Board of Governors. HCF staff will advise the donor if requested limitations for restrictions placed on the use of the gift being made to HCF are impractical or impossible. Where no compromise between the interests of the donor and the needs of HCF can be reached, the gift should be refused or returned by HCF.
2. In cases where the gift restriction is made without consultation with HCF (through bequest or other gift arranged without the knowledge of HCF and the donor is deceased) and the restricted use is impractical, illegal or impossible, the Board of Governors may exercise variance power as described in the Articles and bylaws of HCF, may seek judicial interpretation as to a proper future use of the funds by HCF, or may refuse the gift.



Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving (now the Partnership for Philanthropic Planning) and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.

16.

Hawaii Community Foundation Vendor Activity Report

| Date | Transaction # Description | Transaction Type | Post Date Due Date | Transaction Amount | Discount Amount Discount Taken | Payment Type | Payment # | Payment Date | Amount Paid | Transaction Balance |
|-------------------|--|---------------------|-----------------------|-----------------------|-----------------------------------|----------------|-----------|-----------------|-------------|------------------------|
| Nancy Budd | | | | | | | | | | |
| 10/24/2012 | NANB102412 | Invoice | 10/31/2012 | \$200.00 | \$0.00 | Computer Check | 32087 | 10/31/2012 | \$200.00 | \$0.00 |
| | Trvl Stipend: KILC-Hnl NLLC Summit 10/31/1 | | | | | | | | | |
| | Totals for Nancy Budd: | | | \$200.00 | \$0.00 | | | | \$200.00 | \$0.00 |
| | GRAND TOTALS: | | | \$200.00 | \$0.00 | | | | \$200.00 | \$0.00 |
| | A total of 1 transaction(s) listed | | | | | | | | | |

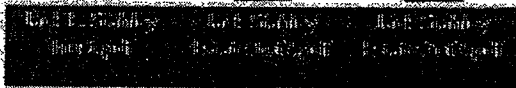
From: Darcie Yukimura
Sent: Monday, July 09, 2012 11:42 AM
To: Evie Carranza; Kate Lloyd
Subject: Jack Stahley Trust

Aloha Kate,

Enclosure of the Jack L. Stahley Trust per Nancy Budd. We are named in the trust to establish the Jack L. Stahley Fund at the Foundation 1) To support and inspire young people, especially those at risk or under privileged, to realize their full potential, build confidence, develop character, teamwork and leadership skills through sports and other youth programs and 2) To provide post-high school educational opportunities and scholarships for the under privileged students of merit.

The estate is being settled now by an attorney in Oregon based on location of the trustee. Please let me know if you have any questions.

Darcie Yukimura
Philanthropic Services Officer
Hawaii Community Foundation
4139 Hardy Street, Suite C | Lihue, HI 96766
p: (808) 245-4585 | f: (808) 245-5189 | e: dyukimura@hcf-hawaii.org
Connecting people who care with causes that matter



Darcie Yukimura

From: Darcie Yukimura
Sent: Tuesday, March 05, 2013 2:07 PM
To: Nancy J Budd
Subject: Jack Stahley Estate

Hi Nancy,

Thank you for your time last week. We really appreciate the time and energy you generously spend with the Foundation. Attached is a note we recently received from the Jack Stahley estate, for your information. Thank you so very much for your guidance to Mr. Stahley to leave this lasting legacy. This is a wonderful example of how a philanthropic legacy can make an impact in one's life and in the community.

Thank you also for sharing your thoughts about the Leadership Council goal form. We really heard you and how making formal goals adds an shadow over the way in which you are already supporting the Foundation. We're sincerely sorry about this oversight and are taking it to the staff that created for goal form. We need to find a better communicate what was intended, which was to provide concrete examples of how council members can support the foundation. It was not intended to make members feel they were responsible for every point on the chart. We realize every member brings a different skill set and contributions to the group, that is what makes us richly diverse and special.

We appreciate you so much.

Māhalo a nui,

Darcie Yukimura
Philanthropic Services Officer
Hawaii Community Foundation
4139 Hardy Street, Suite C | Lihue, HI 96766
p: (808) 245-4585 | f: (808) 245-5189 | e: dyukimura@hcf-hawaii.org
Connecting people who care with causes that matter



Jeffrey L. Olson

Attorney at Law

February 14, 2013

| | |
|--|---|
| Arleann White 18301 S. Meyers Road Oregon City, OR 97045 | Natalya Tloake 18301 S. Meyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clara Court Salem, OR 97301 | Holly Holmes (or Helle Holm) 428 Clara Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chadly) 5707 SE Tranquil Court Milwaukie, OR 97267 | Javien Stahley (or Javien Luis Marron) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Ashley Parries 816 6 th Street SE Auburn, WA 98002 | Brieann Parries (or Breanne Parries) PO Box 399 Eagle Creek, OR 97022 |
| Jill L. Rylander 428 Clara Court Salem, OR 97301 | Jeffrey E. Stahley 2050 Tumwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Brent J. Parries PO Box 399 Eagle Creek, OR 97022 |
| Cathy A. Rios 15284 S. Carus Road Oregon City, OR 97045 | Hawaii Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96788 |

Re: Jack L. Stahley Trust Dated June 28, 2011
Additional Information

Dear Sir or Madam:

One of the beneficiaries has requested additional information concerning the trustee administration fee, other trust administration expenses, and the recent sale of the condominium. Enclosed in response to that request are the following documents:

- A two-page worksheet from the trustee,
- The two-page HUD-1 statement for the sale of the condominium, and
- A six-page appraisal for the condominium.

1426 Greentree Circle, Lake Oswego, Oregon 97034
503-635-9696 • Fax 503-635-9699 • olson.jeff@mac.com

HFC-0000113

Trust Beneficiaries
February 14, 2013
Page 2

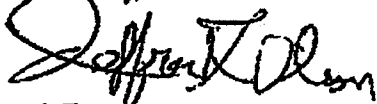
Regarding the trustee administration fee, Paragraph J of Article VII of the trust agreement provides for reasonable compensation to be paid to the trustee for his services. (See page 10.) Virgil Meads, the deceased's long-time accountant, has recommended 3.5% of trust assets under management as a reasonable fee for the trustee's services.

Regarding the other trust administration expenses, these are set forth on page two of the trustee's worksheet. The largest item, "Personal/Travel Expenses," pertains to nearly a dozen trips the trustee had to make to Hawaii to manage and dispose of his father's trust assets located there.

Regarding the condominium, the trustee initially listed it for sale at \$399,500. This price was established in consultation with the realtor and was based on the listing prices of similar units that were for sale in the area. However, this price turned out to be far too optimistic given the current real estate market in Hawaii. The ultimate buyers of the condominium initially offered to pay only \$280,000. The trustee said this price was too low. The buyers then said they would go as high as \$300,000, but only if an appraisal would support that figure as they were relying upon bank financing for the bulk of their purchase price. As you will see from the included appraisal, the condominium was indeed worth only \$300,000. In fact, the trustee's realtor just informed him that an identical condominium in the complex just sold for only \$230,000.

As always, if you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,



Jeffrey L. Olson

Enc.

CC: Jeffrey E. Stahley, Trustee

ATT00001
Trust Asset Statement for 1/25/2013

- + \$280,029 Net proceeds from condo
- + \$273,546 LPL investment account
- + \$25,190 personal cash account
- + \$22,000 Pacific Life income
- + \$14,500 2008 Chevy Malibu
- + \$8,929 CHI 2012 Dividend
- + \$2,116 personal property

= \$626,310 net assets administered as of 1/25/2013

- \$21,920 trustee administration fee
- \$300,000 gift payments (12 x \$25,000)
- \$47,155 All expenses 1/27/12 to 1/25/13

= \$257,235 Trust checking account balance
- \$5,000 Trust checking account reserve

\$252,235 balance to be paid

Payment schedule
50% to Hawaii Community Foundation = \$126,117.50
5 equal shares of remainder = \$25,223.50

Assets remaining in Trust

\$139,312 Pacific life Annuity (pre tax)
\$228,375 CHI Funds Real Estate loans
\$5,000 Trust Checking account reserve

ATT00001

Trust Expenses Overview for 1/25/2013

| Estate expenses | |
|----------------------------------|--------|
| Funeral/burial = | \$4400 |
| Regency Huleia \$528.00 x 13 = | \$6864 |
| Oceanic cable \$93.00 x 13 = | \$1209 |
| Puhi water/sewer \$54.00 x 13 = | \$702 |
| Kauai Island utility \$94 x 13 = | \$1222 |
| Hawaiian Telcom \$53 x 13 = | \$689 |
| Fed tax 2011 = | \$1351 |
| HA tax 2011 = | \$1660 |
| Virgil Meads = | \$875 |
| Cabo Villas = | \$938 |
| Pueblo Bonito = | \$1630 |
| State Farm Ins. = | \$1032 |
| Jeff Olson = | \$5000 |
| Condo carpet = | \$4600 |
| Condo repairs and cleaning = | \$1851 |
| Property tax 2011 = | \$968 |
| Auto licence fee | \$201 |

Total = \$35,192

Personal/Travel Expenses = \$11,963

All Expenses 1/27/12 to 1/25/13 = \$47,155

Jeffrey L. Olson

Attorney at Law

April 11, 2012

| | |
|--|---|
| Robert Silverman Lolly Silverman 4303 Rice Street Lihue, HI 96766 | Ashley Parries 816 G th Street SE Auburn, WA 98002 |
| Aricann White 19301 S. Meyers Road Oregon City, OR 97045 | Natalya Tieake 19301 S. Meyers Road Oregon City, OR 97045 |
| Mason Holmes (or Mason Holm) 428 Clara Court Salem, OR 97301 | Holly Holmes (or Hallie Holm) 428 Clara Court Salem, OR 97301 |
| Jaymond Troy Chadley (or Jaymond Troy Chadly) 5707 SE Tranquil Court Milwaukie, OR 97267 | Javien Stahley (or Javien Luis Marron) 5707 SE Tranquil Court Milwaukie, OR 97267 |
| Kimberly Parries (or Kimberly Daniels) 1105 NE Hill Way Estacada, OR 97023 | Casey Parries 25933 SE Frog Pond Lane Eagle Creek, OR 97022 |
| Jessica Parries PO Box 399 Estacada, OR 97022 | Brieann Parries (or Bricanne Parries) PO Box 399 Estacada, OR 97022 |
| Jill L. Rylander 428 Clara Court Salem, OR 97301 | Jeffrey E. Stahley 2050 Tumwater Street West Linn, OR 97068 |
| Joy M. Stahley 5707 SE Tranquil Court Milwaukie, OR 97267 | Brent J. Parries PO Box 399 Estacada, OR 97022 |
| Cathy A. Ries 15264 S. Canus Road Oregon City, OR 97045 | Hawaii Community Foundation 4139 Hardy Street, Suite C Lihue, HI 96766 |

Re: Jack L. Stahley Trust Dated June 28, 2011
Notice of Proposed Transfer of Trust's Principal Place of Administration

Dear Sir or Madam:

As you probably know by now, Jack Lee Stahley passed away from natural causes on the island of Kauai on or about January 27, 2012. He was 75 years of age. Each of you is named as a beneficiary of his trust, the "JACK L. STAHLEY TRUST" dated June 28, 2011. His son, Jeffrey E. Stahley, is trustee of that trust.

4500 Kruse Way, Suite 100, Lake Oswego, Oregon 97035
503-635-9696 • Fax 503-635-9699 • olson.jeff@mac.com

HFC 0000117

Trust Beneficiaries

April 11, 2012

Page 2

Pursuant to Uniform Trust Code section 108 and in furtherance of his duties as trustee, Jeffrey E. Stahley, as trustee, hereby provides notice of his intent to transfer the trust's principal place of administration:

(A) The name of the state, country or other jurisdiction to which the principal place of administration is to be transferred:

Oregon

(B) The address and telephone number at the new location at which the trustee can be contacted:

Jeffrey E. Stahley, Trustee
2050 Turnwater Street
West Linn, OR 97068

Email: jeff.stahley@yahoo.com

Telephone: 503-710-8635

(C) An explanation of the reasons for the proposed transfer:

The trustee's goal is ease of trust administration at an appropriate place in furtherance of the interests of the trust beneficiaries. Not only does the trustee live in Oregon, but 15 of the trust's 19 beneficiaries live in Oregon. Further, for a number of years, the trustee will need to administer trust assets for the benefit of nine of the beneficiaries who have not yet reached the age of 25 years. Further still, a significant portion of the trust's assets are located in Oregon.

(D) The date on which the proposed transfer is anticipated to occur:

June 15, 2012

(E) The date by which the qualified beneficiary must notify the trustee of an objection to the proposed transfer. The date for notifying a trustee of an objection may not be fewer than 60 days after the date on which the notice is given:

June 14, 2012

If you have any questions or concerns, please feel free to contact either Mr. Stahley or me.

Sincerely,


Jeffrey L. Olson

C.C. Jeffrey E. Stahley, Trustee

Darcie Yukimura

From: Darcie Yukimura
Sent: Monday, March 18, 2013 4:01 PM
To: ~~'Nancy J. Budd'~~
Subject: FW: Jack L. Stahley Trust
Attachments: DOC043.pdf

Hi Nancy,

Kate just send the attached letter to Mr. Olson in response to his claim. We hope this helps clear things up. We are more than happy to continue to support you in any way we can. I'm so sorry for this situation. Please let me know if there is anything I can do.

Mahalo,

Darcie Yukimura
Hawaii Community Foundation
Phone: 808-245-4585

From: Evie Carranza
Sent: Monday, March 18, 2013 3:54 PM
To: 'olson.jeff@mac.com'
Cc: Kate Lloyd
Subject: Jack L. Stahley Trust

Mr. Olson,

In the interest of expediency, we are emailing you a letter in response to your letter dated March 6, 2013 regarding the Jack L. Stahley Trust. An original letter is also being mailed to you.

Mahalo!
Evie Carranza sent on behalf of Kate Lloyd

Evie R. Carranza
Executive Assistant, General Counsel & Vice-President, Operations
Hawai'i Community Foundation
827 Fort Street Mall | Honolulu, HI 96813-4317
o: (808) 537-6333 | d: (808) 566-5526 | f: (808) 566-5578
Connecting people who care with causes that matter



HAWAII COMMUNITY FOUNDATION

March 18, 2013

Mr. Jeffrey L. Olson
1426 Greentree Circle
Lake Oswego, Oregon 97034

Re: Jack L. Stahley Trust

Dear Mr. Olson:

This letter is in response to your letter dated March 6, 2013 regarding the Jack L. Stahley Trust. You indicate in your Letter that the Trustee of the Jack L. Stahley Trust intends to seek a Declaratory Judgment in an Oregon State Court challenging a charitable gift to the Hawaii Community Foundation. Your Letter asserts that under Oregon law the gift to the Hawaii Community Foundation is somehow invalid. You can understand our surprise at receiving the Letter when we have been receiving notifications from you for almost a year as a beneficiary of the Trust, including most recently, an accounting of expenses.

We understand the Trustee of the Trust is the late Mr. Stahley's son, Jeffrey L. Stahley. As you know, trustees are under a duty to administer a trust in accordance with the stated intent of the settlor as set forth in the trust instrument and consistent with applicable law. In addition, a trustee has a duty of loyalty to all beneficiaries that includes a duty to deal impartially with all beneficiaries.

The Trust clearly and unequivocally provides for the gift to the Hawaii Community Foundation of a 50% interest in the remainder of Trust assets after certain specific bequests. We note that Jeffrey L. Stahley is also co-beneficiary of the Trust and in fact, one of five beneficiaries of the other 50% remainder interest in the Trust. It is clear the interests of Jeffrey L. Stahley as beneficiary conflicts with his duties as a Trustee to deal impartially with all beneficiaries. Please clarify whether the statements and assertions in your Letter regarding the possible invalidity of the gift to the Hawaii Community Foundation are on behalf of Jeffrey L. Stahley in his capacity as a beneficiary or as Trustee. We assume that you represent Jeffrey L. Stahley only in his fiduciary capacity and are aware of both his and your obligations to all beneficiaries of the Trust. How does Mr. Stahley intend to deal with his irreconcilable conflict in this purported legal action?


We would also like to correct a few factual inaccuracies in the Letter. Ms. Budd is not a "member" of the Hawaii Community Foundation as we are a non-member nonprofit corporation under the laws of the State of Hawaii. Nor is Ms. Budd a current or former officer or director of the Hawaii Community Foundation. Ms. Budd has no legal duties to the Foundation that might have somehow interfered with her representation of the late Mr. Stahley. Ms. Budd is currently, and has served in the past, as a member of HCF's Kauai Island Leadership Council, which, as noted in HCF's most recent annual report, is composed of "community-minded volunteers." Ms. Budd serves as a member of Hawaii's State Board of Education and has served on other private nonprofit organization boards like other active community volunteers. We simply do not understand your assertions in the Letter that the generous gift by the late Mr. Stahley is a result of "unethical self-dealing."

Mr. Jeffrey L. Olsen
March 15, 2013
Page 2

In summary, we do not understand the basis for any form of legal action since the Trust language is clear and provides for a valid charitable gift to the Hawaii Community Foundation to support underprivileged youth. Further, we object to any legal action being taken in Oregon as the Trust Agreement also makes clear that the laws of the State of Hawai'i apply to this Trust notwithstanding the fact that the principal place of administration was changed to Oregon. Finally, we bring to your attention to the fact that the Attorney General of the State of Hawaii, in his capacity as parens patriae would likely be an interested party in any proceeding challenging the validity of a charitable bequest to a Hawaii charitable organization.

We await your reply and look forward to the Trustee's timely distribution of assets as contemplated by the Trust to establish the Jack L. Stahley Fund at the Hawaii Community Foundation.

Sincerely,



Katharine Lloyd, Esq.
General Counsel and VP of Operations

KHT/erc

Enclosure

Cc: Jeffrey S. Piper, Esq.

Kate Lloyd

From: Nancy J Budd <nancy@njbudd-law.com>
Sent: Tuesday, May 14, 2013 9:31 AM
To: Kate Lloyd
Subject: RE: Stahley Trust

Hi Kate,

I have no idea...

Nancy

LAW OFFICES OF NANCY J. BUDD

4374 Kukui Grove Street, Suite 103
Lihue, Hawaii 96766
Telephone: (808)245-5343
Fax: (808)245-5818

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From: Kate Lloyd [<mailto:klloyd@hcf-hawaii.org>]
Sent: Tuesday, May 14, 2013 8:33 AM
To: nancy@njbudd-law.com
Cc: Janet O. Cutting
Subject: FW: Stahley Trust

Hi Nancy- I know we have not been able to touch base yet. I am forwarding an email from our Oregon lawyer asking about Jack's obit. Do you have any idea who did the obit for him? Thanks, Kate

Kate Lloyd

General Counsel & Vice President, Operations
Hawaii Community Foundation
827 Fort Street Mall
Honolulu, Hawaii 96813- 4317
(808) 566 -5521
klloyd@hcf-hawaii.org

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Check out our new Web site: <http://www.hawaiicommunityfoundation.org>

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From: Steve Owen [<mailto:steveowenattorney@gmail.com>]
Sent: Tuesday, May 14, 2013 8:10 AM
To: Kate Lloyd
Subject: Stahley Trust

Kate,

A quick question. Beau Ellis found Jack Stahley's obituary from a local newspaper there. It had in the obit that donations could be made to the Jack Stahley fund of the Hawaii Community Foundation. Do you know how this Obit and specifically the direction to donate to the fund came to be? Do you know if there were any contributions made? Thanks for any information you might have.

Steve

Stephen R. Owen, Attorney at Law
2173 NE Broadway
Portland OR 97232
(503) 719-5779
SteveOwenAttorney@gmail.com

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