

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.

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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