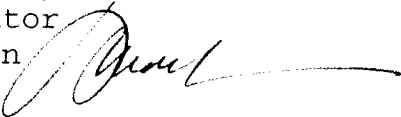


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

November 16, 2010

To: Chairman and Members, Hawaiian Homes Commission

From: Linda Chinn, Administrator
Land Management Division 

Subject: Issuance of License Agreement, Pualani Foundation,
LLC, Moloaa, Kauai

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant its approval to the following:

A. Termination of Revocable Permit No. 282, issued to Mr. Stuart K. Hanchett, since April 1, 2003 with an annual lease rent of \$6,960.00, for the use of approximately 315.97 acres of Hawaiian home lands in Moloaa, island of Kauai, described as Tax Map Key No.(4)4-0-10:002 & 005, and shown as the diagonally-lined area on Exhibit "A", for pastoral purposes; and

B. Issuance of a license agreement to PUALANI FOUNDATION, LLC, a Hawaii non-profit corporation (hereinafter LICENSEE), for the use of approximately 315.97 acres of Hawaiian home lands in Moloaa, island of Kauai, described as Tax Map Key No.(4)4-0-10:002 & 005, and shown as the diagonally-lined area on Exhibit "A", attached hereto, for Hawaiian cultural programs, subject to the following terms and conditions:

1. The purpose of the license shall be to allow LICENSEE to use Hawaiian home lands for its stated mission which is "to provide educational and enrichment programs to perpetuate Native Hawaiian cultural practices and traditions."

LICENSEE may construct facilities to accommodate occasional camping to provide the Native Hawaiian youth with educational and life learning experiences through activities surrounding paniolo and ranch lifestyles. NO LONG TERM RESIDENTIAL USE IS PERMITTED.

2. The term of the license shall be for twenty (20) years, commencing on the date the license agreement is first executed by LICENSEE. At least six months prior to the end of fifth year of the license, and for each subsequent five-year period, LICENSEE shall provide DHHL with information regarding its operations during the preceding five-year period as well as its plans and projections for the next five-year period. Based on DHHL'S evaluation of the information provided and a satisfactory rating of LICENSEE'S operations, the license shall be continued for the ensuing five-year period.

3. Fee for the first year of the license shall be nominal at \$100.00. For the next four (4) years of the license period license fee shall be \$580.00 per month or \$6,960.00 per annum. Thereafter, adjustment to the license fee shall be determined by an evaluation of LICENSEE'S use of the site, based on, but not limited to, the level of services provided to DHHL beneficiaries.

4. LICENSEE shall procure and obtain insurance policies in an amount acceptable to LICENSOR in providing sufficient liability and fire coverage on the premises and naming the LICENSOR as an additional insured.

5. All plans for use of the site and construction of new improvements, including all existing buildings on site, shall conform to federal, state and county laws, regulations, ordinances and codes and be pre-approved and permitted by all applicable governmental agencies.

6. All infrastructure costs shall be the sole responsibility of LICENSEE, including the cost of utility connections and consumption.

7. LICENSOR reserves the right to withdraw all or any portion of the licensed area upon one hundred eighty (180) days advance written notice to LICENSEE should LICENSOR need to use the land for the purposes of the Hawaiian Homes Commission Act, 1920, as amended.

8. LICENSOR shall have the right to terminate or cancel the proposed license upon sixty (60) days advance written notice if LICENSEE does not comply with, or cure any breach of, the terms and conditions of the proposed license.

9. The proposed license shall not be assigned, unless written approval is first obtained from LICENSOR. Upon such proposed

assignment, LICENSOR reserves the right to impose other conditions as it deems prudent.

10. Sub-licensing or sub-letting the use of the property or facilities to unrelated parties shall not be allowed without LICENSOR'S prior written consent. LICENSOR reserves the right to adjust the rent if such sub-licensing is approved.

11. LICENSEE shall pay real property taxes as assessed by the County of Kauai.

12. LICENSEE shall pay a documentation fee of \$75.00 and a processing fee of \$200.00 for the proposed license.

13. Other standard terms and conditions contained in similar licenses issued by DHHL.

14. The license document shall be subject to the review and approval of the Department of the Attorney General.

15. All other terms and conditions deemed prudent and necessary by the Hawaiian Homes Commission.

DISCUSSION

Through a letter dated April 12, 2010 (See Exhibit "B"), Mr. Stuart K. Hanchett, President of Pualani Foundation, LLC, requested a long term license for the use of the lands currently under a month-to-month revocable permit use. With the long term agreement and the non-profit status, Pualani Foundation hopes to seek grants and financial assistance to perpetuate its mission and programs.

The Pualani Foundation's mission and objective is "to provide educational and enrichment programs to perpetuate Native Hawaiian cultural practices and traditions." One of the programs at the site is the Paniolo Camp. It is a week long camp during summer where children can camp overnight and are introduced to ranching lifestyle. The camp provides all meals and kitchen/bathroom facilities are also provided for. In partnership with Na Pua Noeau, also a non-profit organization, which receives funding from grants provided by Kamehameha Schools and Office of Hawaiian Affairs, provides these learning experiences to Native Hawaiian children.

Pualani Foundation's goal is to offer the Paniolo Camp year round as well as after school tutoring programs in partnership

with other non-profit organizations with the same goals for native Hawaiian youth.

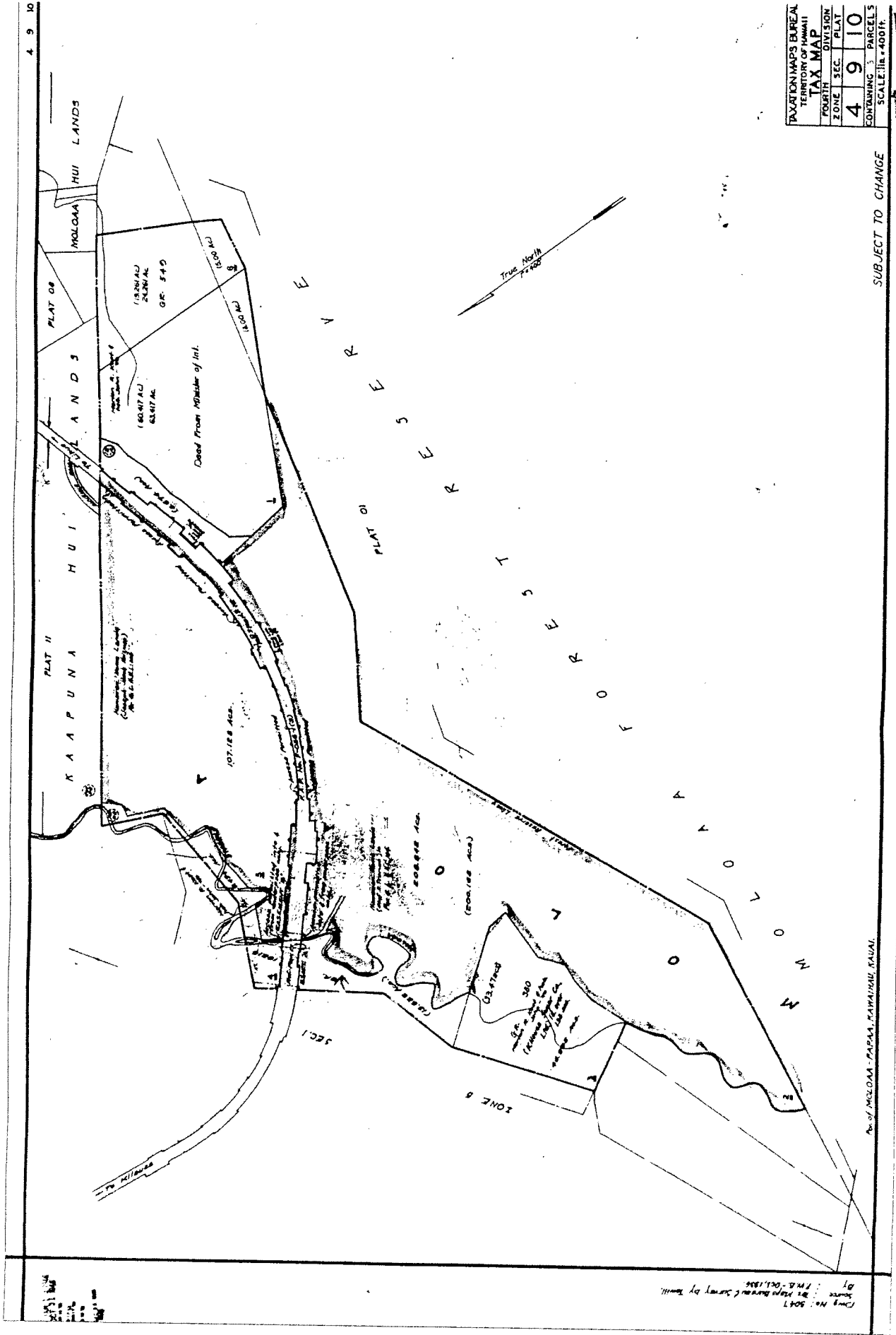
Pualani Foundation must ensure all structures on the premises are properly permitted for fire, health and safety reasons prior to allowing any overnight camping activities on site.

LMD proposes that the fee for the first year of the license be a nominal amount of \$100.00. Thereafter, fee shall be set at the same level as the revocable permit, at \$580.00 per month. An evaluation at the end of the first five-year period will be the basis for determining the fee structure for future periods.

Under Section 207(c)(1)(A) of the Hawaiian Homes Commission Act, 1920, as amended, and Section 10-4-22 of the Administrative Rules of the Department of Hawaiian Home Lands, as amended, the HHC is authorized to grant licenses for the use of Hawaiian home lands for public purposes.

RECOMMENDATION

Land Management Division requests approval of the motion as stated.



TERRITORY OF HAWAII			
TAX MAP			
FOURTH	DIVISION	PLAT	
4	9	10	
CONTAINING 5 PARCELS			
SCALE: 1/4" = 400 FT.			

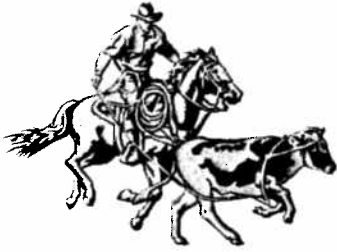
SUBJECT TO CHANGE

513

Comp. No. 5047
 Survey
 By: F. H. B. - Dec. 1936

ITEM NO. D-11

EXHIBIT "A"



Pualani Foundation

April 12, 2010

State of Hawaii- Department of Hawaiian Home Lands
Land Management Division
Ms. Linda Chinn, Administrator
PO Box 1879
Honolulu, Hawaii 96805

Dear Ms. Chinn,

Over the past year we diligently worked on forming an education based non-profit organization named Pualani Foundation and have recently received formal approval of our 501-C(3) status from the Internal Revenue Service.

The Pualani Foundation's mission and objective is "to provide educational and enrichment programs to perpetuate Native Hawaiian cultural practices and traditions." Our primary focus of accomplishing this mission is by providing children with educational experiences through activities surrounding paniolo and ranch lifestyles. Character building, social leadership, trust and responsibility are qualities that are built on the ranch through the activities we provide.

Our primary program at the ranch is our Paniolo Camp. This currently comprises close to 85% of the activities that occur on the ranch. It is a week long camp where children camp overnight and are introduced to the ranching lifestyle. The camp starts every morning at 8:00a.m. and ends at 5:00p.m. All meals and kitchen/bathroom facilities are provided. Activities range from basic horse grooming, taking care of tack, basic riding lessons to roping, branding and mugging all within a week long program. These Summer Paniolo Camps are partnered with Na Pua Noeau, also a non-profit organization that provides learning experiences to Native Hawaiian children and receives funds from grants provided by Kamehameha Schools and the State of Hawaii's Office of Hawaiian Affairs.

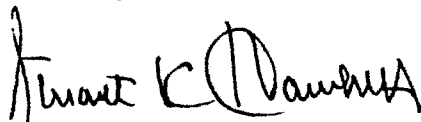
Our goal is to offer the Paniolo Camps year long as well and after school tutoring programs to

other non-profits with the same educational goals for native Hawaiian keiki. Partnerships with Waipa Foundation and Hale 'Opio are currently being formed. Therapeutic horsemanship programs, after school riding lessons and rodeo event programs are additional long term goals for the ranch

There are other non-profits organizations that also use the ranch for various purposes such as the Kauai Search and Rescue Association for dog training and the Kauai Police Department. Combined, these activities comprise of the remaining 15% of the activities on the ranch.

This letter is to request a long term license for the 300 acres currently being leased from the Department of Hawaiian Home Lands in Lepe'uli, Moloa'a on Kauai. With this long term license and our 501C (3) status, the Foundation would be able to seek grants and financial assistance to perpetuate its mission and programs. Please let us know your earliest convenient time to discuss further and present to the Commission for a long term license. Enclosed, please find the Pualani Foundation's by-laws for your review. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Stuart K. Hanchett". The signature is written in a cursive style with a large, stylized initial "S".

Stuart K Hanchett
President