

Oswald Kofoad Stender
1056 Maunawili Loop
Kailua, Hawaii 96734

July 30, 1999

Via Hand Delivery

Robert K.U. Kihune
Chairman, Board of Trustees of the
Estate of Bernice Pauahi Bishop
567 S. King St.
Honolulu, Hawaii 96813

Dear Chairman Kihune:

Thank you for your letter of July 16, 1999.

If the Internal Revenue Service continues to require my permanent resignation or removal as a condition of any settlement or closing agreement between the IRS and KSBE or its subsidiaries, I will immediately and permanently resign as a Trustee of the Kamehameha Schools/Bishop Estate, conditioned on the permanent resignation or removal at the Probate or Circuit Court level of all of the other Incumbent Trustees.

Very truly yours,


Oswald Kofoad Stender

EXHIBIT "B"