

August 19, 1999

Admiral Robert K. U. Kihune
Chairman of the Board of Interim Trustees of
The Estate of Bernice Pauahi Bishop
567 South King Street
Honolulu, Hawaii 96813

RE: Resignation of Trustee Gerard A. Jervis

Dear Mr. Chairman:

Upon my appointment as a Trustee of Kamehameha Schools Bishop Estate, I was struck by the honor and extreme importance of this position. It was a truly humbling experience for me.

At first, I set about trying to gain an understanding of the structure and complexities of this enormous Estate. The management systems, subsidiary structures and a deep sense of "how things were done" were all securely in place upon my arrival.

I made inquiry both inside and outside the Estate and was comfortable that we had competent professionals to guide us on legal and tax issues which potentially impacted the Estate. On every decision I participated in, I read the relevant background materials, asked questions of the responsible staff members and consultants and generally satisfied myself that I understood the issues before me. I never, to my knowledge, voted on a tax measure contrary to staff's recommendation, which was usually based upon the advice of outside consultants.

The problems I encountered in the Boardroom as a member of the minority are well established. My efforts, along with Trustee Stender, in the Courts are a matter of public record.

When the Interim Trustees, both through their Petition for Interim Removal and subsequent correspondence, represented that the IRS demanded our resignation or removal, I honestly felt that my duty to the Trust required me to verify the IRS' position regarding my continued service as a Trustee and how that would negatively impact the tax exemption of the Estate.

EXHIBIT 'C'

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I have since made my inquiry and I am now satisfied that the tax exempt status of the Kamehameha Schools Bishop Estate will be seriously jeopardized if I remain as a Trustee, this, despite the absence of an itemization of alleged wrongdoing attributable to each of the Incumbent Trustees.

All of the factual predicates of the IRS' threats to revoke the tax exemption are based on decisions and practices adopted by the Estate well before I became a Trustee in December of 1994, virtually all of which, in turn, were based on the advice of well experienced professional employees and outside consultants; all of which received repeated judicial approval; and some of which—relating to compensation—were based on legislation.

I have always been, and remain to this day, deeply committed to the purposes of the Estate and the welfare of Hawaiian children, its intended beneficiaries. As a Trustee my heart was truly touched to see our children learn and progress on our various campuses, and it saddened me deeply that we could not garner the requisite Board support to implement interactive and meaningful community programs to address the educational needs of the Hawaiian community.

As an incumbent Trustee, my fiduciary duty to the Estate must drive my decisions. I have proudly served as a Trustee during the most difficult period of the Estate's history, and I have fought both inside the Boardroom and in the Courts to further the interests of the beneficiaries and expand the reach of Pauahi's legacy in the Hawaiian community. I recognize that my final act as a Trustee must be the protection of the Estate's valuable tax exemption.

Therefore, although involuntarily, in the best interest of the students of the Kamehameha Schools, I hereby tender my resignation as a Trustee of the Kamehameha Schools Bishop Estate.

O wau no me ka ha'a ha'a,



Gerard Aulama Jervis