

**TRUST DEED OF  
CHARLES R. BISHOP TRUST**

**Dated August 1, 1895**

**As Amended By Deeds Dated:**

**July 24, 1897  
December 14, 1897  
November 22, 1904  
April 8, 1910  
June 27, 1914  
September 4, 1914  
October 5, 1914**

TRUST DEED OF CHARLES R. BISHOP  
TRUST.

Dated August 1, 1895,

AS AMENDED BY DEEDS DATED

July 24, 1897	December 14, 1897	November 22, 1904
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KNOW ALL MEN BY THESE PRESENTS: THAT WHEREAS I, Charles R. Bishop, of the City of Honolulu, Island of Oahu, Hawaiian Islands, but temporarily residing at the City and County of San Francisco, State of California, desire to give for the uses and purposes hereinafter stated, and, to accomplish such gift, to transfer by indorsement and delivery, to Charles M. Hyde, Samuel M. Damon, Charles M. Cooke, Joseph O. Carter and Charles R. Bishop, all of said City of Honolulu, as Trustees, (the said individuals being the same Trustees now administering the trust created by the Will of my late wife, Bernice Pauahi Bishop) and to their successors in this trust, certain personal property, to wit: Fourteen (14) promissory notes, particularly described as follows, to wit: two (2) of said notes, each for the sum of Fifty Thousand (\$50,000) Dollars, and four (4) of said notes, each for the sum of Twenty-five Thousand (\$25,000) Dollars, are payable on the first day of June, A. D. 1900; four (4) of said notes, each for the sum of One Hundred Thousand (\$100,000) Dollars, and four of said notes, each for the sum of Fifty Thousand (\$50,000) Dollars, are payable on the first day of June, A. D. 1905; each of said fourteen notes bears date of fourth day of April, A. D. 1895, bears interest at the rate of four (4) per cent. per annum, is made by Samuel M. Damon, and is payable to my order:

AND WHEREAS, such indorsement and delivery are to be by me, made to said Trustees, in order to vest in them

and their successors title to said promissory notes, nevertheless in trust to use them and the proceeds therefrom derived in accordance with the provisions of this instrument, and for the uses and purposes herein set forth, and in no event for the individual use or benefit of said Trustees, or any of them, or their or any of their successors in the management of this trust:

NOW THEREFORE, I, the said Charles R. Bishop, do hereby declare that, in making said gift to said Trustees and their successors, the said trust property, to wit: the said fourteen (14) notes, are to remain in the custody of said Trustees, other than the maker of the said notes, and to be used with their accretions and proceeds only as herein set forth, and are to be received by said Trustees, and held by them and their successors, subject to the uses and trusts hereby created, and not otherwise.

*FIRST.*

My said Trustees shall forthwith deliver to Cordelia C. Allen, wife of William F. Allen, of said Honolulu, one of said promissory notes for the sum of Fifty Thousand (\$50,000) Dollars, maturing on said first day of June, A. D. 1900, the same to be her absolute property.

*SECOND.*

In case the said Samuel M. Damon shall so desire, my said Trustees shall extend the time of payment of one of said notes for Fifty Thousand (\$50,000) Dollars, and of all of said notes for Twenty-five Thousand (\$25,000) Dollars, falling due on the said first day of June, A. D. 1900, until the first day of June, A. D. 1903, or may renew the same until said first day of June, A. D. 1903 and may extend the time of payment of three of said notes for One Hundred Thousand (\$100,000) Dollars, and one of said notes for Fifty Thousand (\$50,000) Dollars falling due on the first day of June, A. D. 1905, or may renew said notes, until the first day of June, A. D. 1909; and may extend the time of

payment of one of said notes for One Hundred Thousand (\$100,000) Dollars, and one of said notes for Fifty Thousand (\$50,000) Dollars falling due on the first day of June, A. D. 1905, or may renew said notes, until the first day of December, A. D. 1914; and may extend the time of payment of one of said notes for Fifty Thousand (\$50,000) Dollars, falling due on the first day of June, A. D. 1905, or may renew the same, until the first day of June, A. D. 1915, and may extend the time of payment of the remaining note for Fifty Thousand (\$50,000) Dollars, falling due on the first day of June, A. D. 1905, or may renew the same, until the first day of December, A. D. 1915; and during the period of extension and (or) renewal so to be made as aforesaid or until payment of the notes so to be extended or renewed, my said Trustees shall continue to apply, use and pay over the interest as it grows due on such notes in the meantime for the purposes and pursuant to the uses and trusts in the said deed of trust as amended set forth. The said Damon shall also have the right to take up any of said notes before maturity by payment of the amount due as principal and interest at the time of payment to my said Trustees, upon giving at least sixty (60) days' written notice of the desire to exercise such right.

### THIRD.

For each of the next eight (8) years after the first day of July, A. D. 1895, and ending with the first day of July, A. D. 1903, my said Trustees, and their successors, out of the interest to grow due on said promissory notes, according to the terms thereof, or any income arising from the investments of the proceeds thereof, shall, except when the right to exercise their discretion is expressly hereinafter given, make the following payments to the following named persons, associations or corporations, or for the following named objects, and in the order in which said objects are written; provided, however, that when the *full amount* payable to any of the following named persons, associations or corporations, or for the following named objects, under

Section six (6) hereof, shall have been paid, or provisions shall be made for the same persons, associations or corporations, or for the same objects, under Section "eighth" hereof, the payment to the same persons, associations or corporations, or for the same objects, under this "third" Section, shall no longer be made:

A. To F. W. Damon, of said Honolulu, in aid of the Mills School, conducted by him at said Honolulu, the sum of Five Hundred (\$500) Dollars.

B. To the Hilo Boys' Boarding School at Hilo, on the Island of Hawaii, of which said School Mr. and Mrs. Terry are now the principal teachers, for the exclusive use of said School, the sum of One Thousand (\$1,000) Dollars.

C. To the Young Men's Christian Association of said Honolulu, the sum of Three Hundred (\$300) Dollars.

D. To the Queen's Hospital, maintained and carried on at said Honolulu, the sum of One Thousand (\$1000) Dollars.

E. To the American Relief Fund, so called, or to the Trustees or Managers of said Fund, for the exclusive use of said Fund, the sum of Three Hundred (\$300) Dollars.

F. To the Honolulu Library and Reading Room Association, the sum of One Thousand (\$1,000) Dollars.

G. To the Board of the Hawaiian Evangelical Association, for the use of said Evangelical Association, the sum of Six Hundred (\$600) Dollars.

H. To the Maternity Home, conducted at said Honolulu, or to the Trustees or Managers thereof, for the use of said Home, the sum of Three Hundred (\$300) Dollars.

I. To aid in the maintenance of Night Schools in said Honolulu, the sum of One Thousand (\$1,000) Dollars.

At the option of my said Trustees and (or) their successors, this sum may be paid to the governing body of any

association or corporation having for its object conducting and maintaining Night Schools in said Honolulu.

Such sums are to be paid at the convenience of my said Trustees, or their successors, during each of said eight years, with right in them or their successors to make, or to refuse to make, payments, either in whole or in part, herein, in this sub-division hereof, specified under specifications indicated by the letters "A", "E" "G" "H" and "I", and provided also that the payments made during any one year to or for any beneficiary, shall not exceed the respective amounts herein set forth to be paid to such beneficiary annually.

#### *FOURTH.*

Out of any balance of interest remaining in the hands of my said Trustees, as soon as such balance is ascertained, they shall pay the Hawaiian Historical Society the sum of Two Thousand (\$2,000) Dollars.

#### *FIFTH.*

My said Trustees and their successors shall, during the term of this Trust, except when the right to exercise discretion is expressly, in this fifth sub-division hereof, conferred, make annually out of the balance of interest that may be received on account of any of said notes, and (or) out of any income that may be derived from any investment by my said Trustees, or their successors, at any time hereafter made, in accordance with the terms hereof, payments as follows, to the following named individuals, associations or corporations, or for the following named objects, and according to the order in which the same are written, viz:—

1. Such sum as may be necessary for the care, repair, maintenance and improvement of the tomb, monument and grounds in Nuuanu, in said City of Honolulu, where are deposited the remains of my late wife, and other Hawaiian chiefs.

2. Toward the celebration at the Kamehameha Schools,

in said Honolulu, of "Founder's Day", the sum of Two Hundred (\$200) Dollars.

3. To the Kawaiahao Female Seminary in said Honolulu and (or) to such other School or Schools for Girls, conducted in the Hawaiian Islands, as my Trustees hereunder shall from time to time select, a sum not exceeding Five Thousand (\$5,000) Dollars, said sum to be used in part payment of the board and tuition of the girls between the ages of six and sixteen years, preference being given to Hawaiian girls of pure or part aboriginal blood.

4. To the Kamehameha Schools in said Honolulu provided for in the Will of Bernice Pauahi Bishop; the sum of Fifteen Hundred (\$1,500) Dollars, said sum to be expended in part payment (and in no case to exceed one-half the current rate of charge for room, board and tuition in said Schools for any one pupil) for such students or pupils, both male and female, as are not able, and (or) whose parents or guardians are not able, to pay the full amount of charges for such room, board and tuition.

5. Towards maintaining Free Kindergartens in said Honolulu, preference being given to Schools maintained for the benefit of Hawaiian children or pure or part aboriginal blood, the sum of Six Hundred (\$600) Dollars. At the option of my said Trustees, and their successors, this sum may be paid to the Free Kindergarten and Children's Aid Association, of said Honolulu.

6. For the salary of a chaplain at the Kamehameha Schools, in event one shall be employed (whether or not he be a member of the faculty of either of the Kamehameha Schools), the sum of Fifteen Hundred (\$1,500) Dollars.

7. For aiding in the support of an Alumni Association or Social Club for the benefit of those who shall have attended the Kamehameha School not less than two years, the sum of Three Hundred (\$300) Dollars,—said sum to be expended under and in accordance with the rules to be approved by my said Trustees and their successors.

8. To each of the three (3) following named Churches in Honolulu, viz: Central Union Church, Kawaiahao Church and Kaumakapili Church, the sum of One Hundred (\$100) Dollars.

9. To the Kona Orphanage of Kailua, North Kona, Island of Hawaii (the Institution with which Miss Alice Beard is at present associated) and (or) the Kaiulani Home for Young Women conducted at Honolulu such sum or sums as my Trustees shall determine, but not exceeding in the whole the sum of One Thousand (\$1,000) Dollars.

My said Trustees, and their successors in the management of this Trust, shall, however, have the right to exercise their discretion with regard to the time and amount of any of the payments hereinbefore specified, in this fifth sub-division hereof, under the figures "3", "4", "5", "6", "7", "8" and "9", and may withhold them, in whole or in part, or reduce them, at will.

#### SIXTH.

Out of the principal of said notes as they, or any extensions or renewals thereof, shall respectively mature, and (or) out of any accumulations of interest that may be received and not expended in carrying out the preceding provisions of this Trust, and in such order as my said Trustees shall think fit, and either in one sum or in installments, my said Trustees shall pay the following sums to the following named persons, associations or corporations, or for the following specified objects, to wit:

1. To Charles H. Bishop, of Lihue, Kauai, Hawaiian Islands, the sum of Fifteen Thousand (\$15,000) Dollars.

2. To Eben Faxon Bishop, of Honolulu aforesaid, the sum of Ten Thousand (\$10,000) Dollars.

3. To the Honolulu Library and Reading Room Association, the sum of Twenty-five Thousand (\$25,000) Dollars.

4. To the Queen's Hospital at said Honolulu, for the purchase, furnishing and perpetual support of three (3) beds, each to be known and designated as "Bishop Bed", and numbered respectively two, three and four, and subject to the same conditions of control as the bed now in the Hospital known as the "Bishop Bed", and provided also that not more than one of these beds shall be kept in the same room, and that they shall always be of a superior quality in all respects, though plain and strong, the sum of Eighteen Thousand (\$18,000) Dollars.

To the said Queen's Hospital, for Nurses' Cottage and other uses, within the discretion of the Trustees of said Hospital, the further sum of Thirty-five Thousand (\$35,000) Dollars.

5. To the Hilo Boys' Boarding School aforesaid, for the exclusive use of said School, the sum of Twenty-five Thousand (\$25,000) Dollars,—said sum to be added to the existing Endowment Fund, and the income therefrom derived applied to the support of said School.

6. To the Board of the Hawaiian Evangelical Association aforesaid, for the use of said Evangelical Association, the sum of Twenty Thousand (\$20,000) Dollars,—said amount to be securely invested, and the income therefrom to be applied towards Home Missionary objects, Hawaiian, Chinese and others; in which said Association may be interested, and including aid to the North Pacific Missionary Institute in said Honolulu.

Not more than one-third the net income of said Twenty Thousand (\$20,000) Dollars shall, however, be used for the last named object.

7. To the Young Men's Christian Association of said Honolulu, the sum of Five Thousand (\$5,000) Dollars.

8. To the Association known as the American Relief Fund Association, or to the Trustees or Managers thereof, for the use of said Relief Fund Association, the sum of Three Thousand (\$3,000) Dollars.

9. To the Maternity Home aforesaid, or to the Managers thereof, for the support of said Home, the sum of Five Thousand (\$5,000) Dollars.

10. To the American Board of Commissioners for Foreign Missions, at Boston, Massachusetts, the sum of Three Thousand (\$3,000) Dollars, said sum to be paid, however, only upon condition that, and when, said Commissioners shall release any and all claim to the collection of Polynesian and Micronesian antiquities and articles lately loaned to the Bernice Pauahi Bishop Museum at said Honolulu; and provided said Commissioners shall, within one year from the said release, transfer full title to all of said antiquities and articles to the Trustees of the trust created by the Will of Bernice Pauahi Bishop, I direct my said Trustees and their successors to cause to be paid to said Commissioners, the further and additional sum of Five Thousand (\$5,000) Dollars.

11. To pay for the cost of a Chapel for the use of said Kamehameha Schools, for worship and Sunday School purposes, said Chapel to have a seating capacity of about four hundred (400) persons, (provided, however, that the cost of erecting said Chapel shall not have been furnished in some other way), the sum of Sixty Thousand (\$60,000) Dollars. Said Chapel, when constructed, shall belong to and constitute a part of the estate of, and be and remain under control of the Trustees appointed under the last Will of, my deceased wife, Bernice Pauahi Bishop.

12. To pay to the Trustees of Oahu College the sum of Fifty Thousand (\$50,000) Dollars.

In event any of the beneficiaries under this sixth subdivision of this instrument shall so desire, and also provided the Trustees hereunder, or their successors, can arrange with the maker of said promissory notes to carry out such desire, payment of the amounts in this sub-division respectively specified to be paid, may be made at any time by the promissory note or notes of said maker, maturing at such times as may be agreed upon and bearing a like

rate of interest with the original notes so as aforesaid given by him to me and endorsed to said Trustees.

*SEVENTH.*

In event of the death of any of the beneficiaries named hereinbefore, prior to the completion of the provisions herein made for such beneficiary, or of inability to take hereunder, the sum provided to be paid such beneficiary shall revert to said Trustees and their successors, and shall constitute a part of the general fund hereof.

*EIGHTH.*

I direct that my trustees and their successors shall not suffer the trust fund to become less than Five Hundred Thousand Dollars (\$500,000).

I direct that my trustees and their successors shall hold all of the remainder of the said property in excess of Five Hundred Thousand Dollars (\$500,000.) (such remainder including principal, interest and income of investments made or held by them) after payment of the sums directed to be paid by or under the provisions of Subdivision Fifth of the said deed of trust as amended UPON TRUST thereout to pay to the Mid-Pacific Institute (an Hawaiian corporation) such sum or sums of money, if any, not exceeding Five Hundred Dollars (\$500) per annum, as my trustees or their successors shall, in their absolute discretion, think proper and also to pay or apply such sum or sums, if any, as my Trustees or their successors, in their absolute discretion, shall think proper, but not exceeding in the whole the sum of One Thousand Dollars (\$1,000.) per annum in the support or partial support of indigent persons, such persons being Hawaiians either of pure or part aboriginal blood, and also to pay to me during my life such sum or sums of money not exceeding Five Hundred Dollars (\$500) per month, as I may from time to time direct and subject to the payments aforesaid, so far as the same are payable, my Trustees or their successors shall hold all of the remainder of the said trust property in

excess of Five Hundred Thousand Dollars (\$500,000.) IN TRUST for the Bernice P. Bishop Museum of Honolulu, provided, however that my trustees and their successors shall have full power to determine the time when and the manner in which any payment in execution of the trusts in favor of the said Bernice P. Bishop Museum shall be made, as well as the particular purpose to which any such payment shall be devoted by the trustees of the Bernice P. Bishop Museum, and that my said Trustees or their successors shall not be bound to see to the application of any such payments by the Trustees of the said Bernice P. Bishop Museum.

*NINTH.*

The said Trustees, and their successors, shall have the right to use any part of the said fund, its income or accretions, in the care, protection and improvement of any property, real or personal, that may come into their possession under this trust, and in the care, protection and improvement of any property subject to the trust of the said Bernice P. Bishop Museum.

*TENTH.*

In event I shall desire to change any of said Trustees, or their successors, during my life, I shall have such right, and if any of said Trustees, or their successors, shall die, resign, or become incapable of acting as a Trustee, during my life, I shall have the right to nominate and appoint a Trustee in the place of the Trustee so dying, resigning or becoming incapable of acting as a Trustee.

The number of Trustees of this Trust shall always be five (5), and I desire that the same individuals constituting the Trustees of the trust created by the Will of my deceased wife shall also be the Trustees of the trust hereby by me created. In event of any vacancy in said board after my death, such vacancy shall be filled by the remaining Trustees; provided, however, that their choice must be formally

approved by the then Chief Justice of the Supreme Court of the Hawaiian Islands, or the Presiding Judge of the Court at that time having jurisdiction over trust estates, and also provided preference always being given to Trustees of the trust under the Will of my said wife, Bernice Pauahi Bishop.

#### *ELEVENTH.*

The Trustees hereunder shall at all times during the existence of this trust have the right to sell the whole or any part of the property that may come into their hands hereunder or be subject to the trusts hereby created without any order of Court first had or obtained or without any subsequent confirmation by any Court to invest all moneys that shall from time to time come to their hands under or by virtue of the provisions of this deed of trust requiring investment including the proceeds of sale of any part of the real and personal property subject to the trusts hereby created in such securities as to the said Trustees shall seem wise having regard more to good security than to high rates of interest. Investments may be made in the purchase of the bonds of any state, territory, county or municipality of the United States or of any public service corporation organized under the laws of any state or territory of the United States and operating in the United States. The said Trustees shall also have the right to change investments from time to time and in every way deal with the property subject to the trusts free from any restraint or limitation; nor shall any purchaser at any time be charged with any duty as to the disposition or application of any sum that may be realized from any sale of any property of, or that may become a part of, this trust.

In all matters relating to the administration of the affairs of this trust, the vote of at least three of the Trustees hereunder shall be necessary to any action, and three Trustees may convey personal property, and perform all the duties and powers conferred hereunder, provided, however, that at least three Trustees must join in any act.

Said Trustees and their successors shall have the power to employ any necessary help in carrying out the provisions of this trust, and shall also be entitled to such compensation out of the trust fund as shall from time to time be fixed by the Court having jurisdiction over trust estates in the Hawaiian Islands.

*ELEVENTH (A).*

Payment by my Trustees to the governing body of any association, corporation, or institution, or to the proper officer of said association, corporation or institution, of any sum herein provided to be paid to it or applied for or towards its aid or maintenance, or for any specific object in connection therewith, shall satisfy the requirements of the trust herein contained, and my said Trustee shall in no case be answerable for its proper application or to see that the same is properly applied.

*TWELFTH.*

From time to time, as often as the Circuit Court of the First Circuit of the Hawaiian Islands shall direct, and at least once each year, my said Trustees and their successors shall make a report to the said Court of their administration of the affairs of this trust, showing the way in which said trust funds are invested, and their disposition of the funds that have come into their hands since the rendition of their last report, and a general statement of the condition of said trust.

*THIRTEENTH.*

In event I shall, during the term of my life, provide for the erection of any of the buildings in this Declaration of Trust referred to, or shall, otherwise than from said promissory notes, cause to be made any of the payments hereinbefore specified to be made, I shall have the right to demand and receive from said Trustees, and (or) their successors, the note or notes of said Damon so as aforesaid delivered to said Trustees, or then remaining in their

hands, in such sum or sums as shall represent the amount or amounts provided for erecting such buildings or in making such payments, and the obligation of my said Trustees created hereunder, as hereinbefore set out, shall at once cease and determine as to such building or buildings, or such payment or payments.

*FOURTEENTH.*

At any time during the term of my natural life, with the consent of a majority of my said Trustees, said consent to be expressed by their joining with me in the execution of the instrument hereinafter, in this sub-division hereof, referred to, I reserve the right by a written instrument to make and (or) change any of the provisions of this Declaration of Trust; to alter the same, and new provisions make; to substitute new beneficiaries; and generally, during the term of my life, to exercise discretion over said trust, free from any restraint except the consent of my said Trustees, so expressed as aforesaid.

*FIFTEENTH.*

In token of our acceptance of said trust, and the conditions imposed by this instrument, we, who are named in this instrument as Trustees, do join in the execution hereof with the said Charles R. Bishop.

IN WITNESS WHEREOF, we have hereunto, and to a duplicate hereof, set our hands and seals this first day of August, in the year of our Lord one thousand eight hundred and ninety-five.

IN TESTIMONY WHEREOF, I, the said Charles R. Bishop, have hereunto, and to a duplicate hereof, set my hand and seal; and we, the said Charles M. Hyde, Samuel M. Damon, Joseph O. Carter and William F. Allen, as Trustees as aforesaid, as and for an expression of our consent to the aforesaid alterations, changes and additions in and to said Deed of Trust, and to each thereof, have hereunto and to said duplicate hereof, set our hands and

seals, and hereby join in the execution of these presents;  
on this 24th day of July, in the year of our Lord one thousand eight hundred and ninety-seven (A. D. 1897).

CHAS. R. BISHOP	(SEAL)
CHAS. R. BISHOP	(SEAL) as Trustee.
CHARLES M. HYDE	(SEAL) as Trustee.
J. O. CARTER	(SEAL) as Trustee.
W. F. ALLEN	(SEAL) as Trustee.
S. M. DAMON	(SEAL) as Trustee.

# **JUDGMENT**

***Civil No. 37381 - Frank E. Midkiff, et al. v. George Pai***

**Filed April 13, 1973  
First Circuit Court, State Of Hawaii**



1. The Trustees shall distribute the funds of the trust estate from time to time exclusively for charitable, religious, scientific or educational purposes; and no part of the trust estate shall inure to the benefit of any private individual, and no part of the direct or indirect activities of the trust shall consist of carrying on propaganda or otherwise attempting to influence legislation, or of participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. The Trust shall not conduct any activities not permitted by an organization exempt under Internal Revenue Code, §501(c)(3) or by any organization contributions which are deductible under Internal Revenue Code, §170(c)(2) and the regulations under such sections, as they now exist or may hereafter be amended.

2. This Trust shall continue in perpetuity; provided, that in the event the trust terminates, the trust estate shall be distributed to or for the use of such charitable organizations, and in such amounts as the Trustees shall then select and determine, subject to approval of the Court. The term "charitable organizations" shall be limited to corporations, trusts, funds, or foundations created or organized under the laws of the United States, or any state, territory, or possession of the United States, organized and operated exclusively for charitable purposes, no part of the net earnings of which inures or is payable to or for the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on

propaganda or otherwise attempting to influence legislation, and which do not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office; such organizations shall be further limited to organizations entitled to exemption from Federal income tax under Internal Revenue Code, §501(c)(3), as now in force or hereafter amended. The provisions of this paragraph cannot be amended at any time, and these provisions shall be at all times limitations on the powers of the Trustees and their successors without any further reference being made in the Deed of Trust to such limitations.

IT IS FURTHER ORDERED that the Court retains jurisdiction with leave to apply for such other and further relief as the Court deems just and equitable.

DATED: Honolulu, Hawaii, APR 13 1973

*M. S. ...*  
PRESIDING JUDGE

APPROVED:

*Ed Tracy S. Hoag*  
Deputy Attorney General

I do hereby certify that this is a full, true, and correct copy of the original as filed in this office.

*J. H. ...*  
Clerk, Circuit Court, First Circuit  
State of Hawaii