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Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning and ending

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization PALAMA SETTLEMENT Doing Business As		D Employer identification number 99-0074140
		Number and street (or P O box if mail is not delivered to street address) Room/suite 810 N VINEYARD BLVD	E Telephone number (808) 845-3945	
F Name and address of principal officer: PAUL SAITO CADES SCHUTTE LLP 1000 BISHOP, HONOLULU, HI		G Gross receipts \$ 2,435,061.		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ N/A
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: ▶ WWW.PALAMASETTLEMENT.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1910		M State of legal domicile HI

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE FACILITIES, SERVICES AND PROGRAMS TO SUPPORT, IMPROVE, AND POSITIVELY ENHANCE THE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	27
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	27
	5 Total number of employees (Part V, line 2a)	5	47
	6 Total number of volunteers (estimate if necessary)	6	200
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	769,458.	784,112.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	368,854.	386,756.
	11 Other revenue (Part VIII, column (A), lines 5, 6c, 8c, 9c, 10c, and 11e)	81,781.	-71,629.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	378,336.	377,928.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,598,429.	1,477,167.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	18,675.	11,000.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,083,648.	1,091,241.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 64,236.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	674,945.	603,186.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,777,268.	1,705,427.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	-178,839.	-228,260.
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	4,116,704.	3,874,406.
	22 Net assets or fund balances. Subtract line 21 from line 20	271,919.	257,881.
		3,844,785.	3,616,525.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 ▶ *Sean Evans* Signature of officer Date *11-9-2010*
 ▶ *Sean Evans Executive Director* Type or print name and title

Paid Preparer's Use Only
 Preparer's signature: *Ronald D. Blizig* Date: NOV 8 2010 Check if self-employed:
 Firm's name (or yours if self-employed), address, and ZIP + 4: N&K CPAS, INC., 1001 BISHOP ST., SUITE 1700 ASB TOWER, HONOLULU, HI 96813-3696
 Preparer's identifying number (see instructions):
 EIN: Phone no: 808-524-2255

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED DEC 06 2011

ra

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: SEE SCHEDULE O FOR CONTINUATION THE SETTLEMENT WAS ESTABLISHED TO IMPROVE THE PHYSICAL, SOCIAL, EDUCATIONAL, EMOTIONAL, AND CULTURAL ASPECTS OF THE INDIVIDUAL, FAMILY, AND COMMUNITY IN THE PALAMA AREA OF HONOLULU BY STIMULATING AND ENABLING RESIDENTS TO DEVELOP THEMSELVES. IMPROVEMENT IS REALIZED

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code:) (Expenses \$ 337,513. including grants of \$) (Revenue \$ 210,285.) MENTAL HEALTH MAINTENANCE - IS TO PROVIDE CHILDREN, YOUTH, ADULTS, AND SENIOR CITIZENS IN THE COMMUNITY THE OPPORTUNITY TO PARTICIPATE IN PROGRAMS AND ACTIVITIES THAT PROMOTE HEALTH, WELLNESS, POSITIVE SOCIAL INTERACTIONS, DEVELOPMENT OF SOCIAL SKILLS AND APPROPRIATE BEHAVIOR, AND A COMMITMENT TO COMMUNITY DEVELOPMENT WITHIN THE RECREATION DIVISION. THERE IS PAKOLEA ACADEMIC/SPORTS/BEHAVIORAL MODIFICATION PROGRAM HELPING YOUTH AGES 7-17 THROUGH SPORTS, ACADEMICS (LEARNING CENTER/ACADEMIC STUDY TIME), AND TEACHING OF SOCIALIZATION SKILLS, CHALLENGING PREVIOUS NOTIONS OF INDIVIDUAL LIMITATIONS, AND ASSISTING YOUTH WITH THE SETTING OF SHORT AND LONG-TERM GOALS. LELAND BLACKFIELD YOUTH ACTIVITY CENTER IS A DROP-IN CENTER TO PROVIDE A SAFE AND STRUCTURED ENVIRONMENT FOR YOUTH TO SPEND THEIR FREE TIME WHILE

4b (Code:) (Expenses \$ 357,316. including grants of \$) (Revenue \$ 89,480.) RECREATION - THIS COMPONENT IS MORE ABOUT YOUTH BEHAVIORAL MODIFICATION AND MANAGEMENT. MOST OF THE YOUTH PROGRAMS ARE DESIGNED TO HELP YOUTH IMPROVE ON THE BEHAVIORS THEY EXHIBIT WHILE AMONG PEERS, ADULTS, THEIR FAMILIES, AND THE COMMUNITY-AT-LARGE. MANY OF THE YOUTH SEEN COME THROUGH THE PROGRAMS FROM AT-RISK NEIGHBORHOODS AND DEAL EVERYDAY WITH THE DANGERS OF SUBSTANCE USE/ABUSE, GANG VIOLENCE, FAMILY DISINTEGRATION, ETC. AS A RESULT, THEIR BEHAVIORS WHEN AROUND FRIENDS, FAMILY, ETC., SOMETIMES INVOLVE JUVENILE DELINQUENCY (CUTTING SCHOOL, GRAFFITI, FIGHTING, SWEARING, ETC.), SUBSTANCE ABUSE (ALCOHOL AND SMOKING), ANGER, DISTRUST OF ADULTS AND OTHERS, BULLYING, ETC. THE PROGRAMS FOR YOUTH ARE DESIGNED TO HELP THEM ESCAPE THIS CYCLE AND EMPOWER THEM TO CREATE A BETTER ENVIRONMENT FOR THEMSELVES AND THOSE

4c (Code:) (Expenses \$ 250,669. including grants of \$) (Revenue \$ 20,488.) DELINQUENCY PROGRAM - ALL OF THE YOUTH PROGRAMS (RECREATION, ACADEMIC/SPORTS/BEHAVIORAL MODIFICATION, IN-COMMUNITY TREATMENT PROGRAM, NEIGHBORHOOD DEVELOPMENT AND COMMUNITY OUTREACH PROGRAM YOUTH ACTIVITIES, DROP-IN CENTER, ETC.) HAVE AS A PIECE OF THEIR GOAL, PREVENTING JUVENILE DELINQUENCY.

4d Other program services. (Describe in Schedule O.) (Expenses \$ 361,371. including grants of \$ 11,000.) (Revenue \$ 66,503.)

4e Total program service expenses \$ 1,306,869.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	X	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	<ul style="list-style-type: none"> • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> • Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> • Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> • Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i> 		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes	No
			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	N/A	
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	N/A	
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	N/A	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body		
1a		27
b Enter the number of voting members that are independent		
1b		27
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
3		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
4		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
5		X
6 Does the organization have members or stockholders?		X
6		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7a		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
a The governing body?	X	
8a	X	
b Each committee with authority to act on behalf of the governing body?	X	
8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X
9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
10a		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10b		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11		X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12a	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
12c	X	
13 Does the organization have a written whistleblower policy?	X	
13	X	
14 Does the organization have a written document retention and destruction policy?	X	
14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
15a	X	
b Other officers or key employees of the organization		X
15b		X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **HI**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **ROSALINDA REYES - (808)845-3945**
810 N VINEYARD BLVD, HONOLULU, HI 96817

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PAUL M. SAITO PRESIDENT	2.00	X		X			0.	0.	0.	
SEULYN LEE AU 1ST VP/SECRETARY	2.00	X		X			0.	0.	0.	
RAMSEY PEDERSEN 2ND VP	2.00	X		X			0.	0.	0.	
JACKSON NAKASONE 3RD VP	2.00	X		X			0.	0.	0.	
ROLAND CHANG TRESURER	2.00	X		X			0.	0.	0.	
PETER AKAMU BOARD MEMBER	2.00	X					0.	0.	0.	
MARY ANN CHANGG BOARD MEMBER	2.00	X					0.	0.	0.	
GALE L.F. CHING BOARD MEMBER	2.00	X					0.	0.	0.	
ISMAEL EUSTAQUIO BOARD MEMBER	2.00	X					0.	0.	0.	
LINDA GEE BOARD MEMBER	2.00	X					0.	0.	0.	
THOMAS E. GRIFFIN BOARD MEMBER	2.00	X					0.	0.	0.	
JAMES HARROW BOARD MEMBER	2.00	X					0.	0.	0.	
RANDAL HASHIMOTO BOARD MEMBER	2.00	X					0.	0.	0.	
TROY Z. IWAMOTO BOARD MEMBER	2.00	X					0.	0.	0.	
GLENN KIMURA BOARD MEMBER	2.00	X					0.	0.	0.	
MAUDE LAU BOARD MEMBER	2.00	X					0.	0.	0.	
KENNETH LEE BOARD MEMBER	2.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
RUSSELL LOO BOARD MEMBER	2.00	X						0.	0.	0.
ROY OSHITA BOARD MEMBER	2.00	X						0.	0.	0.
CLARENCE A. PACARRO BOARD MEMBER	2.00	X						0.	0.	0.
PAULA RATH BOARD MEMBER	2.00	X						0.	0.	0.
CRAIG SHIKUMA BOARD MEMBER	2.00	X						0.	0.	0.
RICHARD SUTTON BOARD MEMBER	2.00	X						0.	0.	0.
JARRETT WALTERS BOARD MEMBER	2.00	X						0.	0.	0.
CARRIE WONG BOARD MEMBER	2.00	X						0.	0.	0.
ALAN YAMAMOTO BOARD MEMBER	2.00	X						0.	0.	0.
JAMES YAMAMOTO BOARD MEMBER	2.00	X						0.	0.	0.
1b Total								113,958.	0.	14,160.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a	257,072.				
	b	Membership dues	1b					
	c	Fundraising events	1c	6,000.				
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	521,040.				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		784,112.				
	Program Service Revenue	2 a	CONTRACT AND SERVICE F	Business Code 900099	219,734.	219,734.		
b		OTHER PROGRAM	900099	167,022.	167,022.			
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		386,756.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		20,466.			20,466.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	366,031.				
		b	Less: rental expenses	(ii) Personal				
		c	Rental income or (loss)		366,031.			
	d	Net rental income or (loss)		366,031.			366,031.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	665,799.	(ii) Other	200,000.		
		b	Less: cost or other basis and sales expenses		757,894.	200,000.		
		c	Gain or (loss)		-92,095.	0.		
		d	Net gain or (loss)		-92,095.			-92,095.
	8 a	Gross income from fundraising events (not including \$ 6,000. of contributions reported on line 1c). See Part IV, line 18						
		a			11,897.			
		b	Less: direct expenses					
	c	Net income or (loss) from fundraising events			11,897.			11,897.
9 a	Gross income from gaming activities. See Part IV, line 19							
	a							
	b	Less: direct expenses						
c	Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances							
	a							
	b	Less: cost of goods sold						
c	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a								
	b							
	c							
	d	All other revenue						
e	Total. Add lines 11a-11d							
12	Total revenue. See instructions			1,477,167.	386,756.	0.	306,299.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	11,000.	11,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	113,958.	87,326.	22,340.	4,292.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	737,197.	525,500.	167,989.	43,708.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	39,664.	30,394.	7,776.	1,494.
9 Other employee benefits	136,651.	94,529.	37,021.	5,101.
10 Payroll taxes	63,771.	46,033.	14,064.	3,674.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	22,838.		22,838.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	80,243.	68,753.	11,490.	
12 Advertising and promotion				
13 Office expenses	29,869.	24,283.	4,571.	1,015.
14 Information technology				
15 Royalties				
16 Occupancy	151,306.	142,956.	8,350.	
17 Travel	19,655.	18,468.	1,184.	3.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	429.		429.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	154,636.	146,135.	8,501.	
23 Insurance	31,544.	30,826.	718.	
24 Other expenses. Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a <u>RENTALS AND MAINTENANCE</u>	44,707.	43,637.	650.	420.
b <u>OTHER</u>	23,978.	5,564.	18,404.	10.
c <u>AWARDS AND GRANTS</u>	12,578.	12,238.	212.	128.
d <u>PRINTING AND PUBLICATIO</u>	10,742.	5,870.	2,580.	2,292.
e <u>TELEPHONE</u>	10,182.	7,169.	2,693.	320.
f All other expenses	10,479.	6,188.	2,512.	1,779.
25 Total functional expenses. Add lines 1 through 24f	1,705,427.	1,306,869.	334,322.	64,236.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1
	2	Savings and temporary cash investments	250,712.	2 415,818.
	3	Pledges and grants receivable, net		3
	4	Accounts receivable, net	66,553.	4 38,314.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6
	7	Notes and loans receivable, net		7
	8	Inventories for sale or use		8
	9	Prepaid expenses and deferred charges	57,760.	9 50,821.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 5,583,794.	
	b	Less: accumulated depreciation	10b 3,929,558.	10c 1,654,236.
	11	Investments - publicly traded securities	760,534.	11
	12	Investments - other securities. See Part IV, line 11	1,200,000.	12 1,715,217.
	13	Investments - program-related. See Part IV, line 11		13
	14	Intangible assets		14
	15	Other assets. See Part IV, line 11		15
16	Total assets. Add lines 1 through 15 (must equal line 34)	4,116,704.	16 3,874,406.	
Liabilities	17	Accounts payable and accrued expenses	100,782.	17 82,840.
	18	Grants payable		18
	19	Deferred revenue	137,143.	19 142,364.
	20	Tax-exempt bond liabilities		20
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23	Secured mortgages and notes payable to unrelated third parties		23
	24	Unsecured notes and loans payable to unrelated third parties		24
	25	Other liabilities. Complete Part X of Schedule D	33,994.	25 32,677.
	26	Total liabilities. Add lines 17 through 25	271,919.	26 257,881.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27	Unrestricted net assets	1,822,009.	27 1,521,871.
	28	Temporarily restricted net assets	112,397.	28 180,850.
	29	Permanently restricted net assets	1,910,379.	29 1,913,804.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30
	31	Paid-in or capital surplus, or land, building, or equipment fund		31
	32	Retained earnings, endowment, accumulated income, or other funds		32
33	Total net assets or fund balances	3,844,785.	33 3,616,525.	
34	Total liabilities and net assets/fund balances	4,116,704.	34 3,874,406.	

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990. Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. *N/A*

	Yes	No
2a		X
2b	X	
2c		X
3a		X
3b		

Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization **PALAMA SETTLEMENT** Employer identification number **99-0074140**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Other
 - e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
 - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	644,820.	773,613.	728,055.	769,458.	784,112.	3700058.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	644,820.	773,613.	728,055.	769,458.	784,112.	3700058.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						97,738.
6 Public support. Subtract line 5 from line 4						3602320.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	644,820.	773,613.	728,055.	769,458.	784,112.	3700058.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	456,077.	500,141.	505,560.	441,558.	386,497.	2289833.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	45,679.	63,184.	12,455.	1,866.		123,184.
11 Total support. Add lines 7 through 10						6113075.
12 Gross receipts from related activities, etc. (see instructions)					12	1,371,441.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	58.93 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	59.49 %
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>		
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization **PALAMA SETTLEMENT** Employer identification number **99-0074140**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year	21	
2 Aggregate contributions to (during year)	98,072.	
3 Aggregate grants from (during year)	129,183.	
4 Aggregate value at end of year	2,094,654.	
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
- | | |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |
- 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
- | | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06 | 2d |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	1,918,116.	1,922,038.			
b Contributions	3,425.	600.			
c Net investment earnings, gains, and losses	-7,737.	38,353.			
d Grants or scholarships		42,875.			
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,913,804.	1,918,116.			

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ .00 %
- b Permanent endowment ▶ 100.00 %
- c Term endowment ▶ .00 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		107,154.		107,154.
b Buildings		5,128,613.	3,616,096.	1,512,517.
c Leasehold improvements				
d Equipment		348,027.	313,462.	34,565.
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶ 1,654,236.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,477,167.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,705,427.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-228,260.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-228,260.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,477,167.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,477,167.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	1,477,167.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,705,427.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,705,427.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	1,705,427.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
Revenue		CAR WASH		4	
		(event type)	(event type)	(total number)	
	1	Gross receipts	12,010.	5,887.	17,897.
	2	Less: Charitable contributions	6,000.	0.	6,000.
3	Gross income (line 1 minus line 2)	6,010.		5,887.	11,897.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary. Add lines 4 through 9 in column (d)			
11	Net income summary. Combine line 3, column (d), and line 10				11,897.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
	Direct Expenses	2	Cash prizes		
3		Noncash prizes			
4		Rent/facility costs			
5		Other direct expenses			
6		Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No _____ %	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No _____ %	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No _____ %
7	Direct expense summary. Add lines 2 through 5 in column (d)				()
8	Net gaming income summary. Combine line 1, column (d), and line 7				()

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," explain:

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

	Yes	No
9a		
10a		
11		
12		

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility
- b An outside facility

13a		%
13b		%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?

15a

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____ .

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information.

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer
 Employee
 Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

17a

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
SCHOLARSHIPS	5	11,000.	0.	N/A	N/A

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information

SCHEDULE I, PART I, LINE 2: INDIVIDUALS ARE CONSIDERED FOR THE FOLLOWING

TWO PALAMA SETTLEMENT SCHOLARSHIPS:

BLACKFIELD & FRIENDS SCHOLARSHIP

SELECTION AND DETERMINATION OF AWARDS ARE BASED ON A STUDENT'S AFFILIATION

WITH AND PARTICIPATION IN THE SETTLEMENT'S PROGRAMS, FINANCIAL NEED, AND

FOR ACHIEVING HIGH SCHOLASTIC RECORDS. THE SCHOLARSHIP IS FOR PRIVATE HIGH

SCHOOLS WITHIN THE STATE OF HAWAII AND/OR COLLEGE/UNIVERSITY/VOCATIONAL

TRAINING EITHER WITHIN THE STATE OF HAWAII OR ON THE MAINLAND. FUNDING FOR

Part IV Supplemental Information

THE SCHOLARSHIP IS ACQUIRED THROUGH INDIVIDUAL AND PRIVATE FOUNDATION DONATIONS.

HANNAH COCHRANE SCHOLARSHIP FUND

SELECTION AND DETERMINATION OF AWARDS ARE BASED ON HIGH SCHOLASTIC RECORDS, FINANCIAL NEED AND ENROLLMENT IN A STATE OF HAWAII COLLEGE/UNIVERSITY/VOCATIONAL SCHOOL. FUNDS ARE BASED UPON THE INTEREST OF AN ENDOWMENT MANAGED BY THE HAWAII COMMUNITY FOUNDATION. THE STUDENTS' SCHOOL INVOICES PALAMA SETTLEMENT BI-ANNUALLY TO RECEIVE PAYMENT FOR THE SCHOLARSHIP AWARDED.

APPLICANTS SUBMIT AN APPLICATION; IF THE CRITERIA ARE MET, INTERVIEWS ARE SCHEDULED WITH THE BOARD OF TRUSTEES SCHOLARSHIP COMMITTEE.

OVERALL SCHOLARSHIP INFORMATION

STUDENTS ARE REQUIRED TO PROVIDE PALAMA SETTLEMENT WITH EVIDENCE OF ENROLLMENT. VOLUNTEERING AT PALAMA SETTLEMENT IS HIGHLY ENCOURAGED AND VARIOUS OPPORTUNITIES ARE OFFERED TO THE SCHOLARSHIP RECIPIENTS THROUGHOUT THE YEAR.

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FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CULTURAL, SOCIAL, EDUCATIONAL, PHYSICAL AND EMOTIONAL WELL-BEING OF THE
RESIDENTS SURROUNDING PALAMA SETTLEMENT.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

THROUGH STIMULATING AND ENABLING RESIDENTS TO DEVELOP THEMSELVES AND
THEIR COMMUNITY, PROVIDING OR ASSISTING IN PROVIDING NEEDED SERVICES
OTHERWISE NOT AVAILABLE, COOPERATING WITH PUBLIC AND PRIVATE AGENCIES,
PROVIDING FACILITIES AND/OR SUPPORT SERVICES RESPONSIVE TO THE
EVER-CHANGING NEEDS OF THE AREA RESIDENTS, DEVELOPING AND IMPLEMENTING
PROGRAMS THAT BENEFIT AREA YOUTH, ADULTS, AND SENIOR CITIZENS,
PARTICIPATING IN THE TRAINING OF PROFESSIONAL AND VOLUNTEER PERSONNEL
AND IN RESEARCH, CONFERENCES, AND TECHNICAL ASSISTANCE MEETINGS, AND
MAINTAINING RELATIONSHIPS WITH PROFESSIONAL AND COMMUNITY
ORGANIZATIONS, BUSINESSES, AND INDIVIDUALS.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

ENJOYING ACTIVITIES SUCH AS POLL/BILLIARDS, VIDEO AND BOARD GAMES,
FOOSBALL, TABLE TENNIS, AND MOVIES. YOUTH ACTIVITIES DEPARTMENT
PROVIDES A SAFE AND STRUCTURED ENVIRONMENT FOR YOUTH TO PARTICIPATE IN
INTRAMURAL SPORTS, CULTURAL ENRICHMENT, AND OTHER
SOCIAL/RECREATIONAL/LEISURE ACTIVITIES. POOL DEPARTMENT PROVIDES YOUTH
IN THE COMMUNITY WITH PUBLIC SWIM AND THE OPPORTUNITY TO LEARN HOW TO
SWIM AND/OR TRAIN FOR COMPETITIVE SWIMMING IN CONJUNCTION WITH ACADEMIC
SUPPORT AND COMMUNITY SERVICE. ALSO PROVIDES THE PUBLIC IN THE
KALIHI-PALAMA NEIGHBORHOODS WITH PUBLIC SWIM HOURS. SENIOR CITIZENS

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DEPARTMENT PROVIDES THE COMMUNITY'S SENIOR CITIZENS WITH OPPORTUNITIES
TO SOCIALIZE AND INTERACT WITH OTHERS, EXERCISE BOTH PHYSICALLY AND
MENTALLY, SHARE THEIR KNOWLEDGE WITH YOUNGER GENERATIONS/MENTOR OTHERS,
AND PROMOTE HEALTHY LIVING.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

AROUND THEM. IN ADDITION, THE IN-COMMUNITY TREATMENT PROGRAM (ICTP)
PROVIDES AN ALTERNATIVE LEARNING ENVIRONMENT FOR YOUTH WHO ARE FAILING
OUT OF SCHOOL AND IN TROUBLE WITH JUVENILE JUSTICE/HAVE A PROBATION
OFFICER ASSIGNED TO THEM. MORE SO NOW THAN BEFORE, MOST OF THESE YOUTH
HAVE ISSUES BEYOND JUST ACADEMICS (I.E. PHYSICAL OR SEXUAL ABUSE, TEEN
PREGNANCY, DOMESTIC ABUSE, FAMILY DISINTEGRATION/PARENTAL ABSENCE, PEER
PRESSURE, ETC.). THE PRESENCE OF A STAFF SOCIAL WORK COUNSELOR IS
DESIGNED TO NOT ONLY MAINTAIN, BUT IMPROVE ON THESE YOUTHS MENTAL
HEALTH CONDITION SO THAT IT NO LONGER PRESENTS A NEGATIVE IMPACT ON
THEIR ACADEMICS OR THEIR LIFESTYLE CHOICES. AN ADDED COMPONENT WOULD BE
THE OPPORTUNITIES PROVIDED TO OUR SENIOR CITIZENS TO MAINTAIN A
CONNECTION TO PEOPLE AND PEERS THEIR OWN AGE, IN THEIR POST-RETIREMENT
YEARS A TIME WHEN MANY RETIREES SUDDENLY FEEL ALONE AND LOST, HAVING
WORKED THEIR ENTIRE LIVES AND NOW NOT HAVING ANY STRUCTURE TO THEIR
DAYS. PROVIDING SENIORS BASIC OPPORTUNITIES TO ENGAGE IN SOCIALIZATION
AND EXERCISE THAT REQUIRES MENTAL CALISTHENICS SUCH AS COUNTY LINE
DANCING AND MAH JONG, HELPS THEM TO MAINTAIN AND EXERCISE THEIR
CRITICAL BRAIN FUNCTIONS. IN ADDITION, THE NEIGHBORHOOD DEVELOPMENT AND
NEIGHBORHOOD DEVELOPMENT AND COMMUNITY OUTREACH PROGRAM (NDCOP),
PROVIDES SUPPORT SERVICES TO THE LOW-INCOME AND/OR IMMIGRANT

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POPULATIONS LIVING IN THE HOUSING PROJECTS. THESE SERVICES ARE IN PART,
DESIGNED TO MAINTAIN THE MENTAL HEALTH OF HOUSING PROJECT RESIDENTS WHO
STRUGGLE EVERYDAY WITH MANY OF THE BASICS THAT ARE TAKEN FOR GRANTED -
FOOD, HOUSING, CLOTHING, EDUCATIONAL EXPENSES, CULTURE AND LANGUAGE
BARRIERS, AND VIOLENCE.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

EDUCATIONAL SERVICE - THE ICTP IS AN ALTERNATIVE LEARNING ENVIRONMENT
WHERE YOUTH WHO ARE FAILING OUT OF SCHOOL AND IN TROUBLE WITH THE
FAMILY COURT/JUVENILE JUSTICE, ARE REFERRED TO PALAMA SETTLEMENT'S ICTP
IN ORDER TO WORK ON IMPROVING THEIR ACADEMIC PROGRESS, THEIR BEHAVIORS,
AND THEIR OVERALL NECESSARY LIFE SKILLS. THE STAFF WORK IN CONJUNCTION
WITH THE STUDENT'S HOME SCHOOL (E.G. KAISER, FARRINGTON, MCKINLEY,
WAIPAHU, ETC.) TO HELP THE STUDENT PROGRESS TO A POINT WHERE THEY ARE
ABLE TO EITHER RETURN TO THEIR HOME SCHOOL TO FINISH THEIR HIGH SCHOOL
EDUCATION OR, THEY EARN ENOUGH CREDITS TO GRADUATE WITH THEIR SENIOR
CLASS. IN ADDITION, THE PAKOLEA PROGRAM PROVIDES ACADEMIC GUIDANCE AND
USES SPORTS AS A MOTIVATION FOR PARTICIPATING YOUTH TO WORK AS HARD IN
THE CLASSROOM AS THEY DO ON THE FIELD. MOTIVATIONAL AND GUEST SPEAKERS
ARE PROVIDED FOR THE VARIOUS YOUTH PROGRAMS AT DIFFERENT TIMES
THROUGHOUT THE YEAR. IN ADDITION, SENIOR CITIZEN EDUCATION IS SOMETIMES
PROVIDED THROUGH SPEAKERS THAT COME TO PRESENT ON ISSUES THEY FACE
INCLUDING RETIREMENT LIVING, LONG-TERM CARE, ESTATE PLANNING, ETC. THE
COMMUNITY COMPUTER CENTER PROVIDES COMPUTER EDUCATION CLASSES FOR
YOUTH, ADULTS, AND SENIOR CITIZENS. THE HO'OPA'A PROGRAM PROVIDES
AFTER-SCHOOL TUTORING FOR YOUTH WHO REGISTER/REQUEST TO BE A PART OF

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THE PROGRAM/TAKE ADVANTAGE OF THE SERVICE. FOOD SERVICE - ACTIVITIES
 PRIMARILY INCLUDE PROVIDING NUTRITIOUS LUNCHES FOR THE CHILDREN/YOUTH
 WHO PARTICIPATE IN THE 7 WEEK (ON AVERAGE) SUMMER INTER-SESSION
 PROGRAM, AS WELL AS MID-AFTERNOON SNACKS. OCCASIONALLY, A CONCESSION IS
 RUN AT VARIOUS COMMUNITY EVENTS SUCH AS THE COMMUNITY CHRISTMAS PARTY
 OR SPORTS TOURNAMENTS RUN AT THE GYM.
 EXPENSES \$ 361371. INCLUDING GRANTS OF \$ 11000. REVENUE \$ 66503.

FORM 990, PART VI, SECTION B, LINE 11: THE ORGANIZATION'S BUSINESS MANAGER
 AND EXECUTIVE DIRECTOR WORK CLOSELY WITH THE OUTSIDE ACCOUNTING FIRM IT
 ENGAGES TO REVIEW THE RETURN AND PROVIDE ANY ADDITIONAL INFORMATION
 REQUESTED. THE FORM 990 IS PRIMARILY REVIEWED, PRIOR TO SUBMITTAL BY THE
 OUTSIDE ACCOUNTING FIRM, AND BY THE ORGANIZATION'S EXECUTIVE DIRECTOR AND
 BUSINESS MANAGER. THE FORM 990, AS COMPARED TO THE ORGANIZATION'S ANNUAL
 AUDIT WHICH IS REVIEWED BY THE BOARD'S BUDGET & FINANCE COMMITTEE AND
 APPROVED BY THE FULL BOARD PRIOR TO FINALIZATION, DOES NOT CURRENTLY
 REQUIRE BOARD REVIEW PRIOR TO SUBMISSION.

FORM 990, PART VI, SECTION B, LINE 12C: ARTICLE VII - CONFLICT OF INTEREST
 POLICY, SECTION 7.1 CONFLICT OF INTEREST TRANSACTIONS, GENERALLY. A
 CONFLICT OF INTEREST TRANSACTION IS A TRANSACTION WITH THE CORPORATION IN
 WHICH A TRUSTEE OR OFFICER OF THE CORPORATION HAS A DIRECT OR INDIRECT
 INTEREST. A CONFLICT OF INTEREST TRANSACTION IS NOT VOIDABLE OR THE BASIS
 FOR IMPOSING LIABILITY ON THE TRUSTEE OR OFFICER IF THE TRANSACTION WAS
 FAIR AT THE TIME IT WAS ENTERED INTO OR IS APPROVED AS PROVIDED IN THIS
 SECTION. A TRANSACTION IN WHICH A TRUSTEE OR OFFICER HAS A CONFLICT OF

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INTEREST MAY BE APPROVED IF THE MATERIAL FACTS OF THE TRANSACTION AND THE TRUSTEES OR OFFICERS INTEREST WERE DISCLOSED OR KNOWN TO THE BOARD OF TRUSTEES OR A COMMITTEE OF THE BOARD OF TRUSTEES AND THE TRANSACTION WAS AUTHORIZED, APPROVED, OR RATIFIED BY THE BOARD OF TRUSTEES OR COMMITTEE OF THE BOARD OF TRUSTEES. A TRUSTEE OR OFFICER OF THE CORPORATION HAS AN INDIRECT INTEREST IN A TRANSACTION IF: (1) ANOTHER ENTITY IN WHICH THE TRUSTEE OR OFFICER HAS A MATERIAL INTEREST OR IN WHICH THE TRUSTEE OR OFFICER IS A GENERAL PARTNER IS A PARTY TO THE TRANSACTION; OR (2) ANOTHER ENTITY OF WHICH THE TRUSTEE OR OFFICER IS A DIRECTOR, OFFICER, OR TRUSTEE IS A PARTY TO THE TRANSACTION. A CONFLICT OF INTEREST TRANSACTION IS AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE TRUSTEES EITHER ON THE BOARD OR ON THE COMMITTEE, WHO HAVE NO DIRECT OR INDIRECT INTEREST IN THE TRANSACTION; PROVIDED THAT A TRANSACTION MAY NOT BE AUTHORIZED, APPROVED, OR RATIFIED UNDER THIS SECTION BY A SINGLE TRUSTEE. IF A MAJORITY OF THE TRUSTEES ON THE BOARD WHO HAVE NO DIRECT OR INDIRECT INTEREST IN THE TRANSACTION VOTE TO AUTHORIZE, APPROVE, OR RATIFY THE TRANSACTION, A QUORUM IS PRESENT FOR THE PURPOSE OF TAKING ACTION UNDER THIS SECTION. THE PRESENCE OF OR A VOTE CAST BY A TRUSTEE WITH A DIRECT OR INDIRECT INTEREST IN THE TRANSACTION DOES NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN UNDER THIS SECTION; PROVIDED THE TRANSACTION IS OTHERWISE APPROVED AS PROVIDED IN THIS SECTION. SECTION 7.2 INTERESTED PERSON. ANY TRUSTEE, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH BOARD OF TRUSTEE DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, AS DEFINED IN SECTION 7.3 OF THESE BYLAWS, IS AN INTERESTED PERSON. SECTION 7.3 FINANCIAL INTEREST. A PERSON HAS A FINANCIAL INTEREST IF THE PERSON HAS, DIRECTLY OR INDIRECTLY, THROUGH BUSINESS, INVESTMENT, OR

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FAMILY: (1) AN OWNERSHIP OR INVESTMENT INTEREST IN ANY ENTITY WITH WHICH
THE CORPORATION HAS A TRANSACTION OR ARRANGEMENT, (2) A COMPENSATION
ARRANGEMENT WITH THE CORPORATION OR WITH ANY ENTITY OR INDIVIDUAL WITH
WHICH THE CORPORATION HAS A TRANSACTION OR ARRANGEMENT, OR (3) A POTENTIAL
OWNERSHIP OR INVESTMENT INTEREST IN, OR COMPENSATION ARRANGEMENT WITH, ANY
ENTITY OR INDIVIDUAL WITH WHICH THE CORPORATION IS NEGOTIATING A
TRANSACTION OR ARRANGEMENT. COMPENSATION INCLUDES DIRECT AND INDIRECT
REMUNERATION AS WELL AS GIFTS OR FAVORS THAT ARE NOT INSUBSTANTIAL. A
FINANCIAL INTEREST IS NOT NECESSARILY A CONFLICT OF INTEREST. UNDER SECTION
7.5 OF THESE BYLAWS, A PERSON WHO HAS A FINANCIAL INTEREST MAY HAVE A
CONFLICT OF INTEREST ONLY IF THE APPROPRIATE GOVERNING BOARD OR COMMITTEE
DECIDES THAT A CONFLICT OF INTEREST EXISTS. SECTION 7.4 DUTY TO DISCLOSE.
IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN
INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND
BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE TRUSTEES AND
MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE
PROPOSED TRANSACTION OR ARRANGEMENT. SECTION 7.5 DETERMINING WHETHER A
CONFLICT OF INTEREST EXISTS. AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND
ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON,
HE/SHE SHALL LEAVE THE BOARD OF TRUSTEES OR COMMITTEE MEETING WHILE THE
DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON. THE
REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST
EXISTS. SECTION 7.6 PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST. THE
FOLLOWING PROCEDURES WILL BE FOLLOWED TO ADDRESS THE POSSIBLE CONFLICT OF
INTEREST: (1) AN INTERESTED PERSON MAY MAKE A PRESENTATION AT THE BOARD OF
TRUSTEES OR COMMITTEE MEETING, BUT AFTER THE PRESENTATION, HE/SHE SHALL

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LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT INVOLVING THE POSSIBLE CONFLICT OF INTEREST. (2) THE CHAIRPERSON OF THE BOARD OF TRUSTEES OR COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT. (3) AFTER EXERCISING DUE DILIGENCE, THE BOARD OF TRUSTEES OR COMMITTEE SHALL DETERMINE WHETHER THE CORPORATION CAN OBTAIN WITH REASONABLE EFFORTS A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST. (4) IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY POSSIBLE UNDER CIRCUMSTANCES NOT PRODUCING A CONFLICT OF INTEREST, THE BOARD OF TRUSTEES OR COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED TRUSTEES WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE CORPORATIONS BEST INTEREST, FOR ITS OWN BENEFIT, AND WHETHER IT IS FAIR AND REASONABLE. IN CONFORMITY WITH THE ABOVE DETERMINATION IT SHALL MAKE ITS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT. SECTION 7.7 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY. THE FOLLOWING PROCEDURES SHALL BE TAKEN, IF A POSSIBLE CONFLICT OF INTEREST HAS NOT BEEN DISCLOSED. (1) IF THE BOARD OF TRUSTEES OR COMMITTEE HAS REASONABLE CAUSE TO BELIEVE AN INTERESTED PERSON HAS FAILED TO DISCLOSE ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, IT SHALL INFORM THE INTERESTED PERSON OF THE BASIS FOR SUCH BELIEF AND AFFORD THE INTERESTED PERSON AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE TO DISCLOSE. (2) IF, AFTER HEARING THE INTERESTED PERSONS RESPONSE AND AFTER MAKING FURTHER INVESTIGATION AS WARRANTED BY THE CIRCUMSTANCES, THE BOARD OF TRUSTEES OR COMMITTEE DETERMINES THE INTERESTED PERSON HAS FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, IT SHALL TAKE

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APPROPRIATE DISCIPLINARY AND CORRECTIVE ACTION, WHICH MAY INCLUDE WITHOUT
LIMITATION REMOVAL BY THE BOARD OF TRUSTEES. SECTION 7.8 PROCEEDINGS. THE
MINUTES OF THE BOARD OF TRUSTEES AND ALL COMMITTEES WITH BOARD DELEGATED
POWERS SHALL CONTAIN: (1) THE NAMES OF THE PERSONS WHO DISCLOSED OR
OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH AN
ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL
INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS
PRESENT, AND THE BOARDS OR COMMITTEES DECISION AS TO WHETHER A CONFLICT
OF INTEREST IN FACT EXISTED. (2) THE NAMES OF THE PERSONS WHO WERE PRESENT
FOR DISCUSSIONS AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT, THE
CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO THE PROPOSED
TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION
WITH THE PROCEEDINGS. SECTION 7.9 COMPENSATION. THE FOLLOWING PROVISIONS
CONCERN COMPENSATION: (1) A TRUSTEE OF THE BOARD WHO RECEIVES COMPENSATION,
DIRECTLY OR INDIRECTLY, FROM THE CORPORATION FOR SERVICES IS PRECLUDED FROM
VOTING ON MATTERS PERTAINING TO THAT TRUSTEES COMPENSATION. (2) A MEMBER
OF ANY COMMITTEE WHOSE JURISDICTION INCLUDES COMPENSATION MATTERS AND WHO
RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE CORPORATION FOR
SERVICES IS PRECLUDED FROM VOTING ON MATTERS PERTAINING TO THAT COMMITTEE
MEMBERS COMPENSATION. (3) NO TRUSTEE OR ANY MEMBER OF A COMMITTEE WITH
GOVERNING BOARD DELEGATED POWERS WHOSE JURISDICTION INCLUDES COMPENSATION
MATTERS AND WHO RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE
CORPORATION, EITHER INDIVIDUALLY OR COLLECTIVELY, IS PROHIBITED FROM
PROVIDING INFORMATION TO ANY COMMITTEE REGARDING COMPENSATION. SECTION 7.10
ANNUAL STATEMENTS. EACH TRUSTEE, PRINCIPAL OFFICER AND MEMBER OF A
COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN AT THE

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

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2009
Open to Public
Inspection

Name of the organization

PALAMA SETTLEMENT

Employer identification number

99-0074140

COMMENCEMENT OF HIS OR HER TERM A STATEMENT WHICH AFFIRMS SUCH PERSON: (1)
HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, (2) HAS READ AND
UNDERSTANDS THE POLICY, (3) HAS AGREED TO COMPLY WITH THE POLICY, AND (4)
UNDERSTANDS THE CORPORATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS
FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH
ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES.

FORM 990, PART VI, SECTION B, LINE 15A: THE EXECUTIVE DIRECTOR HAS THE
DUTIES OF THE CHIEF EXECUTIVE OFFICER AND THEREFORE HER COMPENSATION IS
REVIEWED IN ACCORDANCE WITH THE ORGANIZATION'S BY-LAWS WHICH CALL FOR
PERIODIC REVIEWS TO DETERMINE WHETHER COMPENSATION ARRANGEMENTS AND
BENEFITS ARE REASONABLE, BASED ON COMPETENT SURVEY INFORMATION, AND THE
RESULT OF ARM'S LENGTH BARGAINING. THIS MAY INCLUDE THE USE OF OUTSIDE
EXPERTS. THE BOARD ENSURES THAT NO ONE INVOLVED IN THE DELIBERATIONS OF THE
EXECUTIVE DIRECTOR'S COMPENSATION HAS A CONFLICT OF INTEREST, AND THE
DELIBERATIONS AND DECISIONS ARE CONTEMPORANEOUSLY DOCUMENTED. NO OFFICERS
OF THE BOARD ARE COMPENSATED. THE ORGANIZATION HAS DETERMINED THERE ARE NO
EMPLOYEES THAT MEET THE DEFINITION OF KEY EMPLOYEES.

FORM 990, PART VI, SECTION C, LINE 19: THE ARTICLES OF INCORPORATION ARE
FILED WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (DCCA), STATE OF
HAWAII, AND ARE BY NATURE OF BEING RECORDED THERE, A MATTER OF PUBLIC
RECORD. THE AGENCY'S BY-LAWS ARE NOT REQUIRED TO BE RECORDED WITH THE DCCA
AND ARE NOT REQUIRED TO BE MADE AVAILABLE FOR PUBLIC INSPECTION. HOWEVER,
UPON REQUEST, WE MAY SHARE SUCH PROVISIONS AS PART VI WHICH IS THE CONFLICT
OF INTEREST STATEMENT. THE ORGANIZATION'S/AGENCY'S 990 TAX INFORMATION IS

SCHEDULE O

(Form 990)

Department of the Treasury
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AVAILABLE ON WWW.GUIDESTAR.COM FOR ANY MEMBER OF THE PUBLIC TO ACCESS

SHOULD THEY CHOOSE TO DO SO.

Multiple horizontal lines for providing supplemental information.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization PALAMA SETTLEMENT	Employer identification number 99-0074140
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O N&K CPAs, INC., 1001 BISHOP ST., ASB TWR. #1700	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. HONOLULU, HAWAII 96813-3696	

Check type of return to be filed (File a separate application for each return):

- | | | | |
|--|---|--------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ► **ROSALINDA REYES**

Telephone No. ► **(808) 845-3945** FAX No. ►

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **NOVEMBER 15**, 20**10**.
- For calendar year **2009**, or other tax year beginning _____, 20____, and ending _____, 20_____.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension **WE HAVE NOT YET OBTAINED ALL OF THE PERTINENT INFORMATION NECESSARY TO FILE A COMPLETE AND PROPER RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.00
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.00
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.00

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ► 

Title ► **CERTIFIED PUBLIC ACCOUNTANT** Date ► **08/15/10**