1. THIS LEASE, made and entered into this 17th day of August, in the year one thousand nine hundred and sixty-four by and between the STATE OF HAWAII, represented by its Board of Land and Natural Resources, whose address is P. O. Box 621, Honolulu, Hawaii, 96809, and whose interest in the property hereinafter described is that of fee simple owner, for itself, its administrators, successors and assigns, hereinafter called the "Lessor", and THE UNITED STATES OF AMERICA, hereinafter called the "Government":

WITNESSETH: The parties hereto for the consideration hereinafter mentioned covenant and agree as follows:

2. The Lessor hereby leases to the Government three (3) parcels of land described on Exhibit "A" attached hereto and hereby made a part hereof, all to be used for the following purpose: Military purposes.
3. TO HAVE AND TO HOLD the said premises for a term of sixty-five (65) years beginning August 17, 1964 and ending August 16, 2029; subject, however, to the rights of the Lessor and the Government respectively to terminate this lease in accordance with provisions 6 and 21 hereof.

4. The Government shall pay the Lessor rent at the following rate: ONE DOLLAR ($1.00) for the term of the lease, the receipt and sufficiency whereof is hereby acknowledged.

5. The Government shall have the right, during the existence of this lease, to attach fixtures, and erect structures or signs, in or upon the premises hereby leased, which fixtures and structures or signs, so placed in, upon or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. In addition, the Government shall post and maintain signs on roads and trails entering dangerous areas to provide a warning of any dangerous or hazardous activities; provided, that the information placed on the posted signs anywhere within the demised premises shall not be incompatible with the terms of this lease and, in those instances where joint use of an area is permitted, the information placed on the signs may include the permitted activities.

6. The Government may terminate this lease at any time by giving thirty (30) days notice in writing to the Lessor.

7. Except as otherwise provided herein, the Government shall have unrestricted control and use of the demised premises including the right to fire all combat weapons.
therefrom into the designated Pohakuloa Impact Area.

8. The Lessor will not be responsible for any loss, liability, claim, or demand for property damage, property loss, or personal injury, including but not limited to death, arising out of any injury or damage caused by or resulting from any act or omission of the Federal Government in connection with the Federal Government's use of the premises described herein.

9. In recognition of public use of the demised premises, the Government shall make every reasonable effort to stockpile supplies and equipment in an orderly fashion and away from established roads and trails and to remove or deactivate all live or blank ammunition upon completion of a training exercise or prior to entry by the said public, whichever is sooner.

10. The Government shall obtain the written consent of the Lessor prior to constructing any road or building of the type for which design and construction plans are normally required; provided, however, that such consent shall not be arbitrarily withheld. The Government agrees that its training roads which provide primary access within or across the demised premises will be maintained to normal standards for training area roads with due regard for preventing unnecessary erosion; provided, however, that the Government shall be under no obligation to maintain roads during periods when the necessary engineer troops are absent from the island of Hawaii.

10(a). The Government hereby agrees that all Government vehicles of any type will at all times be prohibited from using that portion of the demised premises indicated by a red
cross hatch on the map attached to and made a part of this lease. In addition, the Government hereby agrees that it will maintain at all times at least a two-strand wire fence along that part of the boundary bordering Parcel "C" colored in green on the said map.

11. In the interest of safety the Government shall have the right to interrupt traffic on the Saddle Road during training activities involving firing of and/or the passage of troops across the Saddle Road; provided, however, that the Government shall minimize interference with traffic by limiting stoppages thereof to 15 minute periods.

12. With the exception of artillery simulators, atomic bomb simulators and any similar devices, and explosives used in construction work, the Government shall not fire any live ammunition into any portion of the demised premises. This restriction does not apply to any portion of Parcel "A" deemed by the Government to be safe for smallarms firing. In addition, the Government shall not fire any weapons within three-fourths (3/4) of a mile of the Pohakuloa Ranger Station.

13. The Government shall take every reasonable precaution to prevent the start of any fire in the areas herein demised and shall take immediate and continuing action to extinguish any and all fires started by or resulting from Government training activities. Further, the Government shall establish and at all times maintain a standard operating procedure for fighting fires within or adjacent to the subject leased property resulting from Government training activities during its use and occupancy of the premises; provided, further, that Government personnel actually using
the premises shall be familiar with said standard procedure including the means of implementation.

14. In recognition of the limited amount of land available for public use, of the importance of forest reserves and watersheds in Hawaii, and of the necessity for preventing or controlling erosion, the Government hereby agrees that, commensurate with training activities, it will take reasonable action during its use of the premises herein demised to prevent unnecessary damage to or destruction of vegetation, wildlife and forest cover, geological features and related natural resources and improvements constructed by the Lessor, help preserve the natural beauty of the premises, avoid pollution or contamination of all ground and surface waters and remove or bury all trash, garbage and other waste materials resulting from Government use of the said premises.

15. Except as required for defense purposes in times of national emergency, the Government shall not deliberately appropriate, damage, remove, excavate, disfigure, deface or destroy any object of antiquity, prehistoric ruin or monument.

16. The Lessor shall have the right to erect signs and construct capital improvements within the leased property at locations mutually agreed upon by the parties hereto, in connection with water conservation, public water consumption, forestry, recreational and related purposes, said capital improvements including but not limited in any way to the construction, maintenance and/or improvements of roads and trails; provided, however, that notwithstanding any other provisions of this lease to the contrary, the Government
hereby accepts the responsibility and liability for repairs
of any damage which can be demonstrated to have been the
direct result of military activities, to improvements con-
structed by the Lessor subsequent to the date of this lease.

17. To the extent permitted by training require-
ments the Government will cooperate with the Lessor in the
game development and hunting programs of the Lessor and, in
connection therewith, the Government agrees that Parcels "A",
"B" and "C" hereof shall remain available for the aforesaid pro-
grams of the Lessor and, further, that Parcels "B" and "C" and
all that part of Parcel "A" which lies to the north of the
Saddle Road shall be made exclusively available to the Lessor
for hunting during the periods 1 July through 15 July and 1
December through 15 January and on national holidays from dawn
to midnight and on weekends from midnight Friday through mid-
night Sunday during the periods 1 November through 30 November
and 16 January through 31 January. The Lessor shall also have
the right to construct a road along a mutually agreeable route
through the northerly portion of Parcel "C" hereof.

18. The Lessor hereby agrees that, commensurate
with the public use of the premises herein demised, it will
take reasonable action during the use of the said premises by
the general public, to remove or bury trash, garbage and
other waste materials resulting from use of the said premises
by the general public.

19. Subject to obtaining advance clearance from
the plans and training office of the Government's controlling
agency, or any other designated Government agency, officials
and employees of the Lessor shall have the right to enter
upon the demised premises at all reasonable times to conduct any operations that will not unduly interfere with activities of the Government under the terms of this lease; provided, however, that such advance clearance shall not be unreasonably withheld.

20. All persons legally entitled under the provisions of this lease to be on the said premises shall have a nonexclusive right to use all Government roads and trails except when such use will interfere with the training activities of the Government or said roads and trails have been restricted, by a duly posted sign, as security or danger areas by the Government.

21. In the event that the leased property is not used by the Government for a period of three (3) consecutive years, this lease may be terminated upon ninety (90) days written notice from the Lessor to the Government, provided, however, that if prior to the expiration of the aforesaid 90-day period the Secretary of the Army shall find and determine that the leased property is required for military purposes and shall notify the Lessor in writing of this finding and determination, this lease will continue in effect; provided, further, that periods during which a national emergency has been declared by the President or the Congress of the United States and periods during which major combat elements are temporarily deployed away from the State of Hawaii shall not be included in the said three-year period. During such period of temporary deployment the parties hereto shall discuss and give consideration to and provide for the additional public use of the demised premises compatible with then
existing military training requirements. The Government will assure that current military standards concerning adequate utilization are applied to these premises and will assure that such use is known and is a matter of record and available to the Lessor upon request.

22. The Lessor reserves unto itself all ground and surface water, ores, minerals and mineral rights of every description on, in or under the demised premises but shall exploit or permit others to exploit the said ores, minerals and mineral rights only with the consent of the Government. Notwithstanding the foregoing reservation, the Government shall have the right to develop and use for road construction projects on the demised premises sources of coral, rock and similar materials occurring naturally on the said premises and to use said ground and surface waters for purposes incident to the rights granted by this lease.

23. The Government will not be responsible for any loss, liability, claim or demand for any property damage, property loss, or personal injury, including but not limited to death, arising out of injury or damage caused by or resulting from any act or omission of the Lessor or the general public in connection with their use of the premises described herein.

24. Any notice under the terms of this lease shall be in writing signed by a duly authorized representative of the party giving such notice, and if given by the Government shall be addressed to the Lessor at P. O. Box 621, Honolulu, Hawaii, 96809, and if given by the Lessor shall be addressed to the Division Engineer, U. S. Army Engineer Division, Pacific Ocean, Building 96, Fort Armstrong, Honolulu, Hawaii,
Attention: Real Estate Division or at such location and to such other agency as may be mutually agreed upon by the parties hereto.

25. The Government hereby agrees that the use and enjoyment of the land herein demised shall not be in support of any policy which discriminates against anyone based upon race, creed or color.

26. The Government shall not grant any interest in the demised premises; provided, however, that the Government shall have the right to grant the use of portions of the premises for temporary activities of Governmental agencies or their contractors in which case any land rental derived from such use of the premises shall be covered into the Treasury of the State of Hawaii.

27. Subject to obtaining the prior approval of the Government, the Lessor reserves the right to grant rights or privileges to others not inconsistent with the terms of this lease affecting the whole or any portion of the demised premises.

28. The Government agrees to reforest areas, as expeditiously as practicable and within a period mutually agreed upon, where it can be demonstrated that substantial forest cover, including trees, has been destroyed as a direct result of Government activities; provided, however, that the Lessor shall obtain advance Government approval of all future plantings proposed by the Lessor.

29. The Government shall surrender possession of the premises upon the expiration or sooner termination of this lease and, if required by the Lessor, shall within
sixty (60) days thereafter, or within such additional time as may be mutually agreed upon, remove its signs and other structures; provided that in lieu of removal of structures the Government abandon them in place. The Government shall also remove weapons and shells used in connection with its training activities to the extent that a technical and economic capability exists and provided that expenditures for removal of shells will not exceed the fair market value of the land.

30. (a) That, except as otherwise provided in this lease, any dispute concerning a question of fact arising under this lease which is not disposed of by agreement shall be decided by the Division Engineer, U. S. Army Engineer Division, Pacific Ocean, Honolulu, Hawaii, hereinafter referred to as said officer, who shall within a reasonable time reduce his decision and the reasons therefor to writing and mail or otherwise furnish a copy thereof to the Lessor. The decision of the said officer shall be final and conclusive unless, within thirty (30) days from the date of receipt of such copy, the Lessor mails or otherwise furnishes to the said officer a written appeal addressed to the Secretary of the Army. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this condition, the Lessor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.
(b) This Condition does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, that nothing in this Condition shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

(c) That all appeals under this provision shall be processed expeditiously.

31. The Government's compliance with all obligations placed on it by this lease shall be subject to the availability of funds.

32. The Lessor's compliance with any obligations which may be placed on it by this lease shall be subject to the availability of funds and/or personnel.

33. The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purposes of securing business. For breach or violation of this warranty the Government shall have the right to annul this lease without liability or in its discretion to deduct from the lease price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

34. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this lease or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this lease if
made with a corporation for its general benefit.

35. (a) The Government may, by written notice to
the Lessor, terminate the right of the Lessor to proceed under
this lease if it is found, after notice and hearing, by the
Secretary of the Army or his duly authorized representative,
that gratuities (in the form of entertainment, gifts, or
otherwise) were offered or given by the Lessor, or any agent
or representative of the Lessor, to any officer or employee
of the Government with a view toward securing a lease or
securing favorable treatment with respect to the awarding or
amending, or the making of any determinations with respect to
the performing of such lease; provided that the existence of
facts upon which the Secretary of the Army or his duly
authorized representatives makes such findings shall be in
issue and may be reviewed in any competent court.

(b) In the event his lease is terminated as
provided in paragraph (a) hereof, the Government shall be
entitled (1) to pursue the same remedies against the Lessor
as it could pursue in the event of a breach of the lease by
the Lessor, and (2) as a penalty in addition to any other
damages to which it may be entitled by law, to exemplary
damages in an amount (as determined by the Secretary of the
Army or his duly authorized representative) which shall be
not less than three or more than ten times the costs incurred
by the Lessor in providing any such gratuities to any such
officer or employee.

(c) The rights and remedies of the Government
provided in this clause shall not be exclusive and are in
addition to any other rights and remedies provided by law or
under this lease.

36. This lease is not subject to Title 10, United States Code, Section 2662.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

STATE OF HAWAII

By

Chairman and Member
Board of Land and Natural Resources

And By

Member
Board of Land and Natural Resources

THE UNITED STATES OF AMERICA

By

Eugene H. Millard
Deputy Assistant Secretary of the Army (I&L) (Installations)

APPROVED AS TO FORM:

Bert T. Kobayashi
Attorney General
State of Hawaii

Peter C. Lewis
Deputy Attorney General
State of Hawaii
EXHIBIT "A"

TRACT A-105, POHAKULOA TRAINING AREA

PARCEL "A"

Land situated at Kaohe, Hamakua and Puuanahulu, North Kona, Hawaii.

Being portions of the Government lands of Kaohe and Puuanahulu.

Beginning at the southeast corner of this piece of land, the coordinates of the said point of beginning from Government Survey Triangulation Station "Omaokoili," being 5462.74 feet North and 14,081.19 feet West, thence running by azimuths measured clockwise from True South:

1. 111° 10' 6,000.00 feet along the Pohakuloa Impact Area;
2. 28° 30' 800.00 feet along the Pohakuloa Impact Area;
3. 118° 30' 1,400.00 feet along the Pohakuloa Impact Area;
4. 208° 30' 1,100.00 feet along the Pohakuloa Impact Area;
5. 113° 50' 9,600.00 feet along the Pohakuloa Impact Area;
6. 74° 20' 3,300.00 feet along the Pohakuloa Impact Area;
7. 116° 30' 2,900.00 feet along the Pohakuloa Impact Area;
8. 90° 48' 1,670.00 feet along the Pohakuloa Impact Area;
9. 110° 00' 4,700.00 feet along the Pohakuloa Impact Area;
10. 58° 00' 3,600.00 feet along the Pohakuloa Impact Area;
11. 22° 30' 1,300.00 feet along the Pohakuloa Impact Area;
12. 79° 40' 3,700.00 feet along the Pohakuloa Impact Area;
13. 85° 10' 3,000.00 feet along the Pohakuloa Impact Area;
14. 359° 29' 1,132.00 feet along the Pohakuloa Impact Area;
15. 89° 10' 21,730.00 feet along the Pohakuloa Impact Area;
16. 221° 36' 51" 5,539.10 feet along the remainder of the Government Land of Puuanahulu;
17. 183° 36' 51" 9,400.00 feet along the remainder of the Government Land of Puuanahulu;
18. 249° 06' 51" 11,000.00 feet along the remainder of the Government Land of Puuanahulu;
19. 306° 06' 51" 2,500.00 feet along the land of Waikoloa;
20. 300° 23' 51" 12,201.50 feet along the land of Waikoloa;
21. 175° 29' 01" 8,646.00 feet along the land of Waikoloa;
22. 181° 29' 01" 1,617.00 feet along the land of Waikoloa;
23. 191° 29' 01" 2,046.00 feet along the land of Waikoloa;
24. 174° 29' 01" 700.00 feet along the land of Waikoloa;
25. 237° 02' 31" 800.61 feet along portion of Kaohe;
26. 319° 59' 01" 9,000.00 feet along portion of Kaohe;
27. 287° 29' 01" 11,000.00 feet along portion of Kaohe;
28. 288° 40' 7,832.30 feet along "Parcel B" hereof;
29. 10° 53' 30" 2,713.32 feet along Parcel A of Governor's Executive Order 1719, and across the Saddle Road;
30. 288° 13' 2,247.05 feet along the southerly boundary of the Saddle Road;
31. 276° 47' 30" 207.36 feet along the southerly boundary of the Saddle Road;
32. 271° 54' 30" 4.00 feet along the southerly boundary of the Saddle Road;
33. 1° 54' 30" 2,600.00 feet along Parcel B of Governor's Executive Order 1719;
34. 271° 54' 30" 3,215.00 feet along Parcel B of Governor's Executive Order 1719;
35. 181° 54' 30"  2,598.25 feet along Parcel B of Governor's Executive Order 1719;
36. 271° 59'  937.10 feet along the southerly boundary of the Saddle Road;
37. 269° 44' 30"  2,115.14 feet along the southerly boundary of the Saddle Road;
38. 280° 44'  110.88 feet along the southerly boundary of the Saddle Road;
39. 290° 20'  1,036.00 feet along the southerly boundary of the Saddle Road;
40. 288° 44'  275.15 feet along the southerly boundary of the Saddle Road;
41. 22° 28' 45"  5,075.66 feet along Mauna Kea Forest Reserve and Parcel "C" hereof;
42. 354° 00'  5,350.00 feet along Parcel "C" to the point of beginning and containing a GROSS AREA OF 15,480 ACRES, more or less, excluding therefrom approximately 60 acres of Saddle Road, leaving a NET AREA OF 15,420 ACRES, more or less.

PARCEL "B"

Land situated at Kaohe, Hamakua, Hawaii, Hawaii.

Being a portion of the Government Land of Kaohe and also being a portion of Mauna Kea Forest Reserve.

Beginning at a point on the southwesterly boundary of this piece of land, also being the northwest corner of Parcel A of Governor's Executive Order 1719 dated 26 January 1956, the coordinates of said point of beginning from Government Survey Triangulation Station "Omaokoili" being 19,465.73 feet North and 22,857.15 feet West, thence running by azimuths measured clockwise from True South:-

1. 108° 40'  7,832.30 feet along Parcel A to the boundary of Mauna Kea Forest Reserve;
2. 224° 59' 01"  4,000.00 feet along a portion of the Government Land of Kaohe;
3. 279° 30'  16,000.00 feet along the remainder of Mauna Kea Forest Reserve;
4. 315° 30' 3,000.00 feet along the remainder of Mauna Kea Forest Reserve;
5. 32° 30' 1,700.00 feet along the remainder of Mauna Kea Forest Reserve;
6. 5° 25' 30" 354.25 feet along the remainder of Mauna Kea Forest Reserve;
7. 37° 00' 2,750.00 feet along the remainder of Mauna Kea Forest Reserve;
8. 85° 30' 950.00 feet along the remainder of Mauna Kea Forest Reserve to the boundary of Parcel A of Governor's Executive Order 1719;
9. 213° 45' 1,650.00 feet along Parcel A of Governor's Executive Order 1719;
10. 101° 18' 10,869.06 feet along Parcel A of Governor's Executive Order 1719 to the point of beginning and containing an AREA OF 1,944 ACRES, more or less.

PARCEL "C"

Land situated at Kaohe, Hamakua and Humuula, North Hilo, Hawaii, Hawaii.

Beginning at the most southerly corner of this piece of land, also being on the easterly boundary of the proposed Impact Area of Pohakuloa Military Reservation, the coordinates of the said point of beginning from Government Survey Triangulation Station "Omaokoili" being 9685.30 feet South and 2632.28 feet West, thence running by azimuths measured clockwise from True South:-

1. 156° 22' 3,297.35 feet along the proposed Impact Area of Pohakuloa Military Reservation;
2. 136° 30' 14,800.00 feet along the proposed Impact Area of Pohakuloa Military Reservation;
3. 154° 39' 1,540.00 feet along the proposed Impact Area of Pohakuloa Military Reservation;
4. 174° 00' 5,350.00 feet along Tract B of Pohakuloa Military Reservation;
5. 202° 28' 45'' 2,100.00 feet along Tract B of Pohakuloa Military Reservation;

6. 262° 25' 2,604.15 feet along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938);

7. 324° 00' 1,525.54 feet along fence, along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938);

8. 258° 11' 1,988.55 feet along fence, along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938);

9. 305° 21' 10'' 4,014.60 feet along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938);

10. 231° 30' 4,500.00 feet along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938);

11. 315° 00' 10,000.00 feet along the remainder of Mauna Kea Forest Reserve (Governor's Proclamation dated May 2, 1938) to the boundary between Humuula and Kaohe;

12. 39° 58' 12'' 1,600.00 feet along Humuula;

13. 16° 57' 40'' 5,307.56 feet along the remainder of Humuula;

14. 36° 58' 30'' 5,718.57 feet along the remainder of Humuula;

15. 144° 20' 30'' 171.84 feet along the northeasterly boundary of the Saddle Road to the boundary between Humuula and Kaohe;

16. 15° 12' 18'' 4,768.28 feet along Humuula to the point of beginning, and containing a GROSS AREA OF 5,659 ACRES, more or less, excluding therefrom the Saddle Road, 100-foot wide right-of-way (52 acres, more or less) leaving a NET AREA OF 5,607 ACRES, more or less.
EXHIBIT "B"

Map showing fence and roads near Mauna Kea State Park