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A RESOLUTION

Approving the amendments to the lease agreement made and entered into between the State of Kosrae and Mr. Timothy H. Jackson.

1           **WHEREAS**, a lease agreement (the lease agreement) was made and entered into on the  
2 26<sup>th</sup> of June 2019 between the State of Kosrae ( “Lessor” or “the State”) and Mr. Timothy H.  
3 Jackson (“Lessee”); and

4           **WHEREAS**, under Section One The Premises of the lease agreement the Lessor agreed  
5 to lease to the Lessee the premises referred to at Okat, Tafunsak, made up of approximately 829  
6 square meters more particularly described as Kosrae State Sketch No. PLL-22 ; and

7           **WHEREAS**, the term of this lease agreement shall be for twenty (20) years commencing  
8 upon final approval of this lease,

9           **WHEREAS**, the Lessee shall primarily use the Premises as tourism related services  
10 wherefore the Lessee understands and agrees that his business will be restricted to those  
11 functions reasonably related to the provision of such services and thus other sales or services not  
12 coming with the above described categories shall not be permitted unless authorized by the  
13 Lessor upon request in writing to the Department of Resources and Economic Affairs and  
14 approved by the Kosrae State Governor; and

15           **WHEREAS**, Under Section Three Lease Payments of the lease agreement the Lessee  
16 shall pay Lessor an initial base rental amount of \$2.00 per square meter for a total of \$1,658.00  
17 per year and payable quarterly wherefore the first payment shall be due no later than the fifth

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1 month following the effective date of this lease and thus all payments thereafter shall be made on  
2 a quarterly basis at \$414.50 per quarter;

3           **WHEREAS**, by resolution LR 12-61 the Twelfth Kosrae State Legislature during its  
4 Sixth special Session by adoption of LR12-61 on November 6, 2019 approved the lease  
5 agreement.

6           **WHEREAS**, the lessee and the lessor have entered into an agreement (amended lease  
7 agreement) amending the lease agreement which amended lease agreement was registered by  
8 the Registrar of the Land Court, Kosrae State on March 20, 2020.

9           **WHEREAS** the Governor by his communication message No.12-118 submitted the  
10 amended lease agreement for approval by the Legislature pursuant to Section 11.109 of the  
11 Code.

12           **WHEREAS** the amended lease agreement contains the following facts and salient  
13 terms:

14           The Contract Amendment amends that LEASE AGREEMENT between the State of  
15 Kosrae (Lessor) and Mr Timothy Jackson (Lessee) dated June 26, 2019

16           The Lessor currently leases to Lessee and Lessee leases from Lessor all of the real  
17 property outlined in yellow on the attached map of the Kosrae State No. PLL-22;

18           The Lessor finds that the Lesse required additional land space to provide a viable  
19 business services to the State and the general public as well;

20           The Lessor and Lessee agree that the rental rate shall be increased to accommodate  
21 additional land space for business purposes.

22           That the following Sections of the lease agreement be amended:

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1 Section One The Premises

2 A. Lessor agrees to lease to Lessee the premises referred to as Okat, Tafunsak made up  
3 of a total area of Nine Hundred Thirty Three (933) square meters more particularly  
4 described as Kosrae State Sketch Nos. PLL-22 and PLL-26. See Graphic attached  
5 hereto as Attachments "1&2"

6 Section Three, Lease Payments

7 B Lessee shall pay Lessor an initial base rental amount of \$2.00 per square meter for a  
8 total of One Thousand Eight Hundred Sixty Six dollars only (\$1,866.00) per year and  
9 payable quarterly. The first payment shall be due no later than the fifth month following  
10 the effective date of this lease. All payments thereafter shall be made on a quarterly basis  
11 at Four Hundred Sixty Six Dollars and Fifty Cents only (\$466.50) per quarter.

12 All other terms and conditions remain the same.

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15 **BE IT RESOLVED**, that the Members of the Twelfth Kosrae State Legislature during its  
16 Eighth Special Session, March 2020, hereby recommend the approval of the amended lease  
17 agreement between Kosrae State and Mr. Timothy H. Jackson, and

18 **BE IT FURTHER RESOLVED**, the certified copies of this resolution be transmitted to  
19 T.H. Carson K. Sigrah, Governor of Kosrae State, Director Gerson A. Jackson, Department of  
20 Resources and Economic Affairs, and Mr. Timothy H. Jackson.

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TWELFTH KOSRAE STATE LEGISLATURE

EIGHTH SPECIAL SESSION, APRIL 2020

L.R. 12- 140

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2 Date: 4/9/2020

Introduced by:   
Yamado A. Melander