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**A RESOLUTION**

Approving lease agreement between the State of Kosrae and FSM Telecom. Corp.

1           **WHEREAS**, a lease agreement (the lease agreement) was made and entered into on the  
2 3<sup>rd</sup> day of March, 2020 between the State of Kosrae ( “Lessor” or “the State”) and Federated  
3 States of Micronesia Telecommunication Corporation (FSM Telecom. Corp.); and

4           **WHEREAS**, under Section One (1) THE PREMISES, Lessor agrees to lease to Lessee  
5 the Premises referred to as portion of Parcel No. 056K01, Tofol, made up of approximately  
6 Thirty Eight (38) square meters more particularly described as Kosrae State Sketch No. FSM  
7 TEL-30, portion of fill-in land in Okat Tafunsak as Tafunsak Marine Park made of  
8 approximately thirty seven (37) square meters described as Kosrae State Sketch No. FSM TEL-  
9 29 and a portion of Utwe Marina approximately thirty eight (38) square meters as Kosrae State  
10 Sketch No. FSM TEL-31 with a total land area of 113 square meters; and

11           **WHEREAS**, the term of this lease agreement shall be for twenty (20) years commencing  
12 upon final approval of this Lease, pending legislative approval after it is signed, unless otherwise  
13 extended, modified or terminated in accordance with the conditions herein; and

14           **WHEREAS**, under Section four (4): Use of Premises, the Lessee shall primarily use the  
15 Premises as telecommunication transmitter services (transmitter antenna) and other related  
16 purposes; the Lessee understand and agree that its businesses will be restricted to those functions  
17 reasonably related to the provision of such services; and

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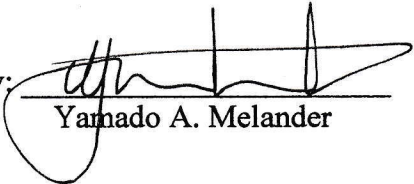
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**WHEREAS**, Section three (3), Lease Payments, subsection (A), Lessee shall pay Lessor a rental amount of One Dollar (\$1.00) annually. The first payment shall be due no later than first month following the effective date of this lease. All payments shall be made on a annual basis at One Dollar (\$1.00) annually; subsection (B), the rent shall be adjusted once every five (5) years throughout the lease term; subsection (C), any past due rent shall bear interest at the rate of 1% per month; **now therefore**

**BE IT RESOLVED**, that the Members of the Twelfth Kosrae State Legislature during its Tenth Special Session, June 2020, hereby recommend the approval of the lease agreement between Kosrae State and Federated States of Micronesia Telecommunication Corp. (FSM Telecom Corp), and

**BE IT FURTHER RESOLVED**, the certified copies of this resolution be transmitted to T.H. Carson K. Sigrah, Governor of Kosrae State, Director Gerson A. Jackson, Department of Resources and Economic Affairs, and Federated States of Mcronesia Telecommunication Corp. (FSM Telecom Corp).

Date: 7/20/20

Introduced by:   
Yamado A. Melander