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AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 3-15, 3-27, and 4-45, by adding a new section 231 to establish procedures for securing and perfecting liens on assets of the FSM Telecommunications Corporation and to require Congressional approval for certain acts of the Corporation, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1       Section 1. Title 21 of the Code of the Federated States of Micro-  
2 nesia is hereby further amended by the addition of a new section 231 to  
3 read as follows:

4               "Section 231. Liens and debts.

5               (1) The Board of Directors is hereby empowered to secure  
6 its debts by the granting of a first lien on specified assets  
7 of the Corporation. A first lien shall have priority over  
8 all other liens against such assets whether derived by  
9 contract, statute, common law or custom.

10              (2) A first lien shall be perfected by the filing of  
11 the lien documentation with the Assistant Clerk or Clerk  
12 of the Supreme Court of the Federated States of Micronesia  
13 in the State in which the asset is located.

14              (3) All subsequent creditors and lien holders shall be  
15 conclusively deemed to have constructive notice of such lien  
16 upon filing as set forth in subsection (2) of this section.

17              (4) The assets which may be pledged to secure debts of  
18 the Corporation include all revenue of the Corporation, all  
19 personal property and fixtures and real property to the  
20 extent permitted by the laws of the Federated States of  
21 Micronesia and the State in which the real property is  
22 located.

1                   (5) The Corporation shall not assume any debt that will  
2                   be repaid later than 365 days from the date of execution, or  
3                   agree to a lien or other security interest in the assets of  
4                   the Corporation as security for a debt, without the approval  
5                   by resolution of the Congress."

6                   Section 2. This act shall become law upon approval by the  
7                   President of the Federated States of Micronesia or upon its becoming  
8                   law without such approval.

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*June 30th*, 1987  
*for [Signature]*  
John R. Haglelgam  
President  
Federated States of Micronesia

