

*Art. 17.* All mortgages must be recorded in the register. They shall be without effect in regard to third persons until they are recorded.

Cancellation, and any modification of a mortgage by agreement between the parties or by a judgment, shall also be recorded in such register.

*Art. 18.* When there are two or more mortgages on the same aircraft, their precedence shall be determined by the order of their recordation dates.

Mortgages recorded on the same day shall be of equal rank regardless of the hour of their recordation.

*Art. 19.* Recordation shall keep a mortgage valid for ten years from the date of its recordation. It shall cease to be effective when the recordation is not renewed before the expiration of such period.

*Art. 20.* Recordation of a mortgage shall guarantee, in the same precedence as the mortgage itself, interest for three years in addition to the current year.

*Art. 21.* Recordation of mortgages shall be cancelled when there is a legal act stating the agreement of the parties or a final judgment on the matter.

*Art. 22.* Except in the case of judicial sale in accordance with the provisions specified in a decree, registration of an aircraft may not be stricken from the register when recorded rights have not been cancelled prior thereto.

*Art. 23.* Creditors whose mortgage on an aircraft has been recorded, shall follow their security in whatever hands it may pass, for the purpose of collection and payment in the order of their respective recordation and after privileged creditors, reserving the provisions of Articles 24 and 27 below.

*Art. 24.* Only the following debts shall be privileged in preference to mortgages:

- 1) Court costs incurred in the sale of an aircraft and in the distribution of the price received in the common interest of the creditors;
- 2) Payments due for salvage of an aircraft;
- 3) Necessary expenses for the preservation thereof;
- 4) Debts resulting from the employment contract of flight crew members and other flight personnel, but as regards any security, only for a maximum of six months;
- 5) Fees for use of devices and aids to navigation and landing fees.

*Art. 25.* The privileges specified in the preceding article shall affect the aircraft or the insurance mentioned in Article 16. They shall follow the aircraft in whatever hands it may pass.

They shall be extinguished three months after the event which gave rise to them unless the creditor makes prior recordation of the debt in the register of the aircraft, after having given friendly notice of the amount or, in the absence thereof, after having commenced a legal action therefor.

They shall further be extinguished, independently of the normal methods of extinction of privileges:

- 1) By judicial sale of the aircraft, executed in the form provided for by decree;
- 2) In case of voluntary transfer properly recorded in the register, at the latest, one month after publication of the transfer