

*Article 12-11.* 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.

*Article 12-12.* 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, subject to the provisions of Articles 12-13 and 12-16.

*Article 12-13.* Only the following debts shall have preference over mortgages in aircraft:

- 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) Payment due for salvage of an aircraft;
- 3) Necessary expenses for the preservation thereof.

*Article 12-14.* The privileges specified in the preceding article shall affect the aircraft or the insurance payment mentioned in Article 12-5. 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, two months after publication of the transfer in the *Bulletin officiel du registre du commerce*, and in a newspaper carrying legal notices at the domicile of the vendor, unless, prior to expiration of such period, the creditor has given notice of such debt to the vendee at the domicile stated by him in the pertinent publications.

*Article 12-15.* Debts specified in Article 12-13 shall be privileged in the order in which they appear in that article.

Debts of the same order shall be of equal rank and shall be paid at the same rate in case of insufficient funds.

However, debts mentioned in Article 12-13, paragraphs 2, and 3, shall be paid in inverse order as regards the events which gave rise to them.

*Article 12-16.* Privileges other than those enumerated in Article 12-13, shall rank after mortgages whose recordation precedes the arising of such privileges. However, in the case of sale in France of an aircraft mortgaged in a State party to the international convention for the recognition of rights in aircraft signed at Geneva on June 19, 1948, the rights provided for in Article 1 of that convention which exist on the aircraft may be exercised only in recognition of the rights of the persons who suffered damages on the ground as provided for in Article VII-5 of that convention.

*Article 12-17.* Except in the case of judicial sale in the manner provided for by decree, the registration of an aircraft may not be trans-