

Article 198. A lease of aircraft may be for one or more trips; for the number of kilometers to be flown; or for a fixed time, and the duty of the lessor shall be limited to delivering the aircraft at the agreed time and place, provided with the documentation necessary for the flight.

In a lease the lessor need not equip the aircraft; but he must maintain her in normal flight condition until the end of the contract but such duty shall cease in the case of negligence of the lessee.⁴ The lessor shall not direct and supervise the crew; the technical supervision of the particular aircraft shall be incumbent on the lessee.

Article 199. A lease of civil aircraft must be incorporated in public document or in a private document signed before the competent authority designated by the regulations. A lease consisting of a public document shall be recorded in the Register of Aeronautical Property.

Article 200. No Nicaraguan aircraft may be sold, given, leased or loaned for delivery abroad without prior authorization from the Ministry of Aviation. Sales by public auction to foreigners shall be exempt from this provision.

The authorization must state the purpose for which the aircraft is to be used and the place from which it will operate.

Article 201. Notwithstanding their being personal property, civil aircraft may be subject to mortgage. Insofar as there is no provision in this law, such contract shall be governed by the applicable provisions of the Code of Commerce and, absent such provisions, by the provisions of the Civil Code.

Article 202. A mortgage shall have preference over any other credit except the following:

- Legal costs and expenses for preservation of an aircraft pending a judgment;
- Compensation for aid and salvage, taking place during the existence of the mortgage;
- Debts to the State for taxes or fees in connection with use of airports or services for air navigation for a period not exceeding sixty days;
- Expenses incurred by an aircraft commander in the exercise of his powers and which were necessary to continue the last trip; and
- Wages owed to subordinates and employees on board the aircraft during the last trip.

Article 203. If an aircraft is destroyed or expropriated, a mortgagee may enforce his preferred claim on the insurance and on the compensation owed to the owner.

Article 204. Aircraft mortgaged in this country may not be temporarily or permanently transferred abroad without express consent of the mortgagee who must give his authorization by public instrument.

Article 205. Without express consent of the mortgagee, no changes may be made in structural characteristics or propulsion machinery of an aircraft.

⁴ In the Spanish original obviously erroneous: Arrendador—lessor. Ed.