

[Act No. 1977, April 19, 1910]

AN ACT PROVIDING FOR THE FILING, WITH THE DIVISION OF ARCHIVES, PATENTS, COPYRIGHTS, AND TRADE-MARKS OF THE EXECUTIVE BUREAU, OF THE FIRST DEED OF MORTGAGE, TRUST OR GUARANTY, DATED THE NINETEENTH DAY OF MAY, NINETEEN HUNDRED AND NINE, EXECUTED BY THE MANILA RAILROAD COMPANY IN FAVOR OF THE GOVERNMENT OF THE PHILIPPINE ISLANDS, AND OF THE FARMERS' LOAN AND TRUST COMPANY OF NEW YORK, AS TRUSTEES, CREATING UPON THE PROPERTY MENTIONED IN SAID INSTRUMENT A LIEN FROM THE DATE OF ITS FILING, MODIFYING THE PROVISIONS OF ACT NUMBERED EIGHTEEN HUNDRED AND TWELVE, IN REGARD TO THE LIEN OF THE MORTGAGES FILED HERETOFORE, AND EXEMPTING SAID INSTRUMENTS FROM THE PAYMENT OF STAMP TAXES, AND THE FILING OF THE SUBORDINATING AGREEMENT.

By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. The first deed of mortgage and contract of guaranty of May nineteenth, nineteen hundred and nine, as approved by the Secretary of War on the twenty-eighth day of January, nineteen hundred and ten, executed by The Manila Railroad Company in favor of the Government of the Philippine Islands and of The Farmers' Loan and Trust Company of New York, as trustees, shall be and constitute a lien upon all the properties described in the said instrument from the time of the filing of said instrument with the division of archives, patents, copyrights, and trade-marks of the Executive Bureau, which lien shall be prior to and take precedence of any and all liens and incumbrances which may thereafter arise against the said property, except such liens as arise from the imposition of lawful taxes, fines, and assessments upon the same. Any subsequent conveyance of said property, or any part thereof, or any interest therein, shall be subject to the aforesaid lien.

SEC. 2. In consideration of the agreements executed by the bondholders of the first and second mortgages of The Manila Railroad Company in favor of the Central Trust Company of New York and of The New York Trust Company, subordinating the lien of the said first and second mortgages to that mentioned in the preceding section, which shall be filed with the mortgage and contract of guaranty referred to in section one hereof, the provisions of Act Numbered Eighteen hundred and twelve are hereby modified: *Provided, however,* That the lien granted in said mortgages shall continue in force and effect in so far as it does not refer to all the properties set forth in the deed of mortgage executed in favor of the Government of the Philippine Islands, and of the Farmers' Loan and Trust Company of New York, as trustees. The said subordination shall commence to take effect from the date of the filing with the division of archives, patents, copyrights, and trade-marks of the Executive Bureau, of the subordinating agreements executed by the Manila Railroad Company with the bondholders of the first and second mortgages.

SEC. 3. Nothing in this Act shall be construed as depriving the or grantees or beneficiaries under said instrument of any right or lien in connection therewith which exists by law independent of this Act.