ENGINE TITLE RECOGNITION AGREEMENT, 2012

USER’S GUIDE AND COMMENTARY

Prepared jointly by AWG and IATA

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The purpose of this User’s Guide is to provide technical assistance to users of the ETRA by providing practical guidance on the terms thereof. This User’s Guide does not include a comprehensive analysis of every term of the ETRA, nor does it explain how each provision of the ETRA operates. Practitioners should not rely on this User’s Guide when engaging in any transaction or providing any advice in respect of the subject matter covered hereby.

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AWG – IATA thanks Freshfields Bruckhaus Deringer LLP for its assistance in the preparation of this User’s Guide.
1. The ETRA is intended for use in a transaction where Lessor is the owner of the relevant aircraft (the Aircraft), holding the full legal and beneficial title thereto.

2. Lessor leases the aircraft to Lessee pursuant to the terms of an aircraft lease agreement, details of which are inserted into the ETRA.

3. Lessee proposes to enter into an engine lease agreement with a third party engine lessor pursuant to which Lessee will lease engine(s) (the Engine(s)) from the third party engine lessor, and Lessee will or may install the Engines on the Aircraft.

4. The ETRA is an acknowledgement from Lessor to the third party engine lessor that notwithstanding the installation of the Engine on the Aircraft, Lessor will not claim any ownership interest in the Engine(s).

5. Further, Lessor agrees to waive the benefit of any provision of applicable law that may be contrary to the acknowledgement provided by Lessor in relation to the ownership interest in the Engines.

6. The transaction parties are free to choose the governing law of the ETRA.

7. The ETRA is signed by both Lessor and the third party engine lessor, but is not signed by Lessee.