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## ENGINE TITLE RECOGNITION AGREEMENT, 2012

### USER'S GUIDE AND COMMENTARY

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Prepared jointly by AWG and IATA

#### DISCLAIMER

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## **INTRODUCTION AND DISCLAIMER**

This User's Guide and Commentary (*User's Guide*) has been jointly prepared by AWG – IATA for use in conjunction with the Engine Title Recognition Agreement, 2012 (*ETRA*). This User's Guide should be used only in connection with the ETRA and should not be used or relied upon for any other purpose.

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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The ETRA may be used by any transaction party, whether or not such party is a member of AWG or IATA. The ETRA is designated as a template document and is intended as a framework for efficient negotiations, as the transaction parties deem fit. Neither AWG nor IATA express a view on whether the ETRA should be used in a particular transaction or on whether the positions reflected in the ETRA or in this User's Guide are appropriate for any particular transaction parties. Transaction parties may deviate from the terms of the ETRA when using or negotiating the ETRA.

AWG – IATA thanks Freshfields Bruckhaus Deringer LLP for its assistance in the preparation of this User's Guide.

## COMMENTARY

### ENGINE TITLE RECOGNITION AGREEMENT

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.