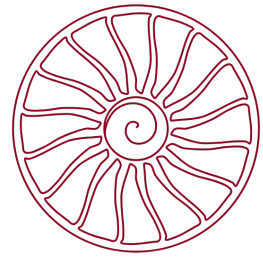


# RARE POWER



## Aircraft Engine Lease Agreement

This Lease Agreement (the "Agreement") is made on [Insert Date], between:

### **Parties**

**Lessor:** RARE AVIATION inc. d.b.a. RARE POWER, organized under the laws of Florida, with its principal place of business at 7901 4th Street N STE 300, St Petersburg, FL 33702.

Correspondence details:

Attention: Dr. Eric VAN DER MERWE, President

Email: [INFO@RARE-AVIATION.COM](mailto:INFO@RARE-AVIATION.COM)

Phone: +44 7908 792590

**Lessee:** [Insert Lessee's Full Legal Name], a [Insert Type of Entity, e.g., corporation] organized under the laws of [Insert Jurisdiction], with its principal place of business at [Insert Address].

Correspondence details:

Attention: [Insert Contact Person's Name and Title]

Email: [Insert Email Address]

Phone: [Insert Phone Number]

The Lessor and Lessee may be referred to together as the "Parties" or individually as a "Party."

### **Recitals**

The Lessor owns the aircraft engine described below and agrees to lease it to the Lessee. The Lessee agrees to lease the engine under the terms of this Agreement. Both Parties confirm they have the authority to enter into this Agreement.

### **1. Definitions**

Engine: The aircraft engine described as follows:

Manufacturer: [Insert Manufacturer, e.g., General Electric]

Model: [Insert Model, e.g., CFM56-7B]

Serial Number: [Insert Serial Number]

Including all parts, accessories, and documentation attached or related to it (collectively, the "Engine Package") as listed in the the Engine Acceptance Certificate (Annex 1).

Lease Term: The period starting on the Commencement Date and ending on the Termination Date, unless extended or ended early as per this Agreement.

Commencement Date: The date on the Engine Acceptance Certificate is the date the Engine is delivered to the Lessee and the date on which this Agreement commenced.

Termination Date: **120 months or 2,200 engine hours** whichever is the sooner, after the Commencement Date.

Rent: The monthly payment amount of **\$1,900.00**, plus any variable charges (the "Drop-Down rate") of **\$45.00** per hour in excess of the first 20 hours each month based on usage.

RARE AVIATION INC. (reg: P25000028003) d.b.a. RARE POWER  
Registered Address: 7901 4TH ST N STE 300, ST. PETERSBURG, FL. 33702, USA

Email: [enquiries@rare-aviation.com](mailto:enquiries@rare-aviation.com) Web: [www.rare-engines.com](http://www.rare-engines.com)

Specifications are as supplied and are subject to buyer verification upon inspection. Aircraft & spare parts are offered subject to prior sale, lease or withdrawal from the market. Prices quoted are subject to change.



Deposit: The Lessee will pay a Deposit equal to 5 months Rent, to be returned at Termination or used by the Lessor in a Default Event. The Deposit will not accrue interest. The Deposit is **\$9,500.00**.

Stipulated Amount: In case of total loss, an amount equal to **\$125,000.00**.

Business Day: Any day that is not a Saturday, Sunday, or public holiday in Florida.

Force Majeure Event: Unforeseeable events beyond a Party's control, such as natural disasters, wars, strikes, or government actions that prevent performance under this Agreement.

Other terms are defined where they first appear.

## **2. Conditions Precedent**

This Agreement starts only if the following conditions are met by the Commencement Date:

The Lessee provides proof of insurance covering the Engine as required in Section 7.

The Lessee pays any initial fees or deposits, including [Insert Amount, e.g., the first month's Rent in advance].

The Engine passes a pre-delivery inspection agreed by both Parties.

The Lessee provides financial statements or credit references satisfactory to the Lessor.

No default or breach has occurred under any related agreements between the Parties.

If these conditions are not met, the Lessor can cancel this Agreement without liability.

## **3. Lease of the Engine**

The Lessor leases the Engine to the Lessee for the Lease Term. The Lessee accepts the Engine "as is" on delivery, confirming it is in good working condition unless noted otherwise in a delivery certificate signed by both Parties.

The Lessee must use the Engine only for lawful commercial aviation purposes, in compliance with all laws, regulations, and manufacturer guidelines. The Lessee cannot sublease, transfer, or encumber the Engine without the Lessor's written consent.

Included with each engine lease is:

1 set of replacement cylinders (mid-life top overhaul);

1 replacement carburettor, alternator, starter, magneto set;

Additional parts may be purchased at a discounted rate from RARE POWER;

Lessor will provide a free review of Lessee's operating procedures to maximise the engine life, upon request.

## **4. Payments and Taxes**

Monthly Rent Payments: The Lessee must pay Rent monthly in advance on the first Business Day of each month to the Lessor's designated bank account. Late payments accrue interest at 1.5% per month or part thereof.

Variable Charges: the hourly Drop-Down rate is calculated in arrears and paid together with the Rent. The last "flight folio" or "aircraft log" will be emailed to the Lessor as validation of the month's utilisation.

Additional Charges: The Lessee pays for all maintenance, repairs, fuel, and operational costs.

Taxes and Fees: The Lessee pays all taxes, duties, fees, and charges related to the Engine's possession, use, or lease, including sales tax, property tax, and import/export duties. The Lessee indemnifies the Lessor against any such liabilities.

Currency: All payments are in U.S. Dollars.

## 5. Loss and Damage

Risk of Loss: During the Lease Term, the Lessee bears all risk of loss or damage to the Engine.

Partial Loss: If the Engine is partially damaged:

The Lessee must promptly repair it to its original condition at its own cost.

The Lease continues unless both Parties agree to end it early.

Insurance proceeds go first to repair costs, then to reimburse the Lessee for any out-of-pocket expenses.

Total Loss: If the Engine is totally lost or destroyed:

The Lessee must pay the Stipulated Amount to the Lessor within 90 days or sooner if insurance pays out.

Rent continues until the Stipulated Amount is paid.

Once paid, the Lease ends, and the Lessor transfers title to any remains to the Lessee "as is," without warranties except no Lessor-created liens.

The Lessor refunds any prepaid Rent for periods after the loss.

The Lessee must notify the Lessor immediately of any loss or damage and cooperate with insurance claims.

## 6. Maintenance and Inspections

The Lessee must maintain the Engine in airworthy condition per manufacturer and regulatory standards, using approved facilities. The Lessor can inspect the Engine at reasonable times. At Lease end, the Lessee returns the Engine in the same condition as delivered, normal wear excepted.

The Lessee's maintenance organisation (MRO or AMO) is required to sign the Mechanic's Lien Waiver (Annex 2), recognising the Lessor's rights, prior to release.

## 7. Insurance

The Lessee must maintain, at its expense:

All-risk property insurance covering the Engine for its full replacement value.

Liability insurance for at least \$10 million per occurrence or as required by the FAA.

Hull insurance if the Engine is installed on an aircraft.

Policies must name the Lessor as additional insured and loss payee. The Lessee provides certificates of insurance before delivery and upon renewal. If the Lessee fails to insure, the Lessor can obtain coverage and charge the Lessee.

## 8. Indemnity

The Lessee indemnifies and holds harmless the Lessor, its officers, and agents from all claims, losses, damages, liabilities, and expenses (including legal fees) arising from the Lessee's possession, use, or operation of the Engine, including third-party claims for injury, death, or property damage.

This indemnity survives the end of the Lease Term.

## 9. Quiet Enjoyment

As long as the Lessee is not in default, the Lessor guarantees the Lessee's peaceful possession and use of the Engine without interference from the Lessor or anyone claiming through the Lessor.

## 10. Termination Events

The Lease ends on the Termination Date or earlier if:

- Mutual agreement.
- Total loss as per Section 5.
- Default by either Party (see Section 12).
- Force Majeure lasting more than 90 days.

Upon termination, the Lessee returns the Engine to the Lessor at the delivery location, in good condition and packaged for shipping as delivered. If not returned, the Lessor can repossess it, and the Lessee pays all costs.

### **11. Force Majeure**

Neither Party is liable for delays or failures caused by a Force Majeure Event, provided they notify the other Party promptly and take steps to minimize impact. If the event lasts over [Insert Time, e.g., 60 days], either Party can terminate the Agreement.

This does not excuse payment obligations.

### **12. Defaults and Remedies**

Events of Default: Include:

- Failure to pay Rent or other amounts when due.
- Breach of any other obligation.
- Bankruptcy or insolvency of the Lessee.
- Seizure or attachment of the Engine.
- Misrepresentation by the Lessee.

Remedies: If default occurs, the Lessor can (without limiting other rights):

- Demand immediate payment of all unpaid Rent and the Stipulated Amount.
- Terminate the Lease and repossess the Engine.
- Sue for damages.
- Charge interest on overdue amounts.

The Lessee's remedies for Lessor default are limited to suing for damages; no right to terminate unless specified.

### **13. Representations and Warranties**

Each Party represents and warrants:

- It is duly organized and authorized to enter this Agreement.
- This Agreement is legal, valid, and binding.
- No conflicts with other agreements or laws.
- The Lessor warrants it has good title to the Engine, free of liens except as disclosed.
- The Lessee warrants it will comply with all laws and use the Engine properly.

These survive closing.

**14. Miscellaneous**

Governing Law: This Agreement is governed by the laws of Florida, without regard to conflicts of law.

Notices: All notices must be in writing, sent via email or certified mail to the addresses above. Effective upon receipt. IM apps such as WhatsApp, Signal, Messages and FaceTime are acceptable for non-urgent communication.

Advertising: The Lessee permits the Lessor to use its name and images in marketing with prior notice.

Assignment: The Lessee cannot assign without Lessor's consent. The Lessor can assign freely.

Entire Agreement: This is the full agreement; no oral changes. Amendments must be written and signed.

Severability: If any part is invalid, the rest remains effective.

Counterparts: Can be signed in counterparts, including electronically.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

**For the Lessor:** Dr. Eric P. VAN DER MERWE

**Name:** RARE AVIATION inc.

**Date:**

**For the Lessee:** Ms.

**Name:**

**Date:**

**As Witness:** Shaun de BEER

**Name:** RARE AVIATION inc.

**Date:**

**As Witness** Ms.

**Name:**

**Date:**



**Annex 1 – Engine Acceptance Certificate**

[ date ]

RARE AVIATION inc. d.b.a. RARE POWER  
 7901 4th Street N STE 300  
 St Petersburg, FL 33702.

Attention: Dr. Eric VAN DER MERWE, President

**Acceptance of Engine Package**

Dear Sir/Madam,

Lessee hereby confirms to Lessor that:

on **[date]** at **[time]** at **[location]**, Lessee accepted delivery of the Engine, as described in Clause 1 of the Engine Lease Agreement, including the documentation and attached parts listed below.

<b><u>Name</u></b>	<b><u>Manufacturer</u></b>	<b><u>Part Number</u></b>	<b><u>Serial Number</u></b>
Engine	Lycoming		
Starter			
Magneto 1			
Magneto 2			
Alternator			
Baffles	Not fitted		
Engine stand			
Engine Log Book			
Engine Release Certificate			

**For the Lessee:** Ms.

**Name:** 0

**Date:** 0



**Annex 2 – Mechanics Lien Waiver**

[ date ]

RARE AVIATION inc. d.b.a. RARE POWER  
7901 4th Street N STE 300  
St Petersburg, FL 33702.

Attention: Dr. Eric VAN DER MERWE, President

Dear Sir/Madam,

**Recognition of Rights/Interests in Engine**

[name and address of maintenance organisation, maintenance organisation FAA number] (the MRO) hereby acknowledges that Engine [engine serial number] and appurtenances (the Engine) is the property of RARE AVIATION inc. and is leased to the {name of Lessee} and shall be excluded from any Mechanic's Lien exercised by the MRO over the Lessee's property in the event of dispute with the Lessee.

The MRO, subject to the general terms of the Engine Lease Agreement, also hereby agrees to:

- recognise the Lessor's and Lessor's creditors' rights and interests in the Engine installed on the Aircraft; and
- not claim or assert, as against you or your creditors, any right, title or interest in any Engine arising by virtue of the installation of any such Engine on the Aircraft.
- assist the Lessor to reclaim the Engine at the termination of the lease.
- will notify the Lessor in the event that the MRO ceases to be the Lessee's appointed maintenance provider.

**For the AMO / MRO:** [authorised person name]

**Name:** [company name]

**Date:** January 15, 2026