

NOTICE OF FILING

This document was lodged electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 28/07/2020 10:50:37 PM AEST and has been accepted for filing under the Court's Rules. Details of filing follow and important additional information about these are set out below.

Details of Filing

Document Lodged: Court Book
File Number: NSD714/2020
File Title: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION (AS OWNER TRUSTEE) & ANOR v VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS
Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Dated: 29/07/2020 8:59:16 AM AEST

Registrar

Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date and time of lodgment also shown above are the date and time that the document was received by the Court. Under the Court's Rules the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4.30 pm local time at that Registry) or otherwise the next working day for that Registry.



ENGINE LEASE SUPPORT AGREEMENT

This Engine Lease Support Agreement (the "Agreement") is made as of 24 May, 2019 by and between **WILLIS LEASE FINANCE CORPORATION**, a corporation organized and existing in the State of Delaware, with offices at 60 East Sir Francis Drake Boulevard, Suite 209, Larkspur, California 94939, United States of America ("Willis"), and **VB LEASECO PTY LTD**, an Australian corporation, with its registered offices at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia ("Virgin Australia").

WHEREAS, Virgin Australia has leased or will lease four (4) Engines on the terms and conditions set out the relevant lease agreement;

WHEREAS, Willis has agreed to provide additional lease support on the terms and conditions hereinafter provided;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Virgin Australia and Willis hereby agree as follows:

1. Definitions and Interpretation

1.1 In this Agreement (including the recitals), capitalized terms used but not otherwise expressly defined will have the meanings ascribed to them in the GTA or the Lease Agreements, as applicable, except that the following terms shall have the following meanings:

"Engine" means each of the four (4) CFM International manufactured CFM56-7B engines contemplated by the proposal dated 20 November 2018 addressed by Willis Lease Finance Corporation to Virgin Australia Airlines Pty Ltd.

"Force Majeure Event" means an event, cause or peril beyond the affected party's reasonable control or not occasioned by such affected party's fault or negligence, including, but not limited to, act of god (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); war (whether declared or not); armed hostilities; invasion; act of foreign enemies; governmental acts or failures affecting parts, supplies or materials required for the performance of this Agreement, or aircraft; embargo; rebellion; revolution; insurrection; military or usurped power; civil war; riot; civil commotion; strikes; go slows; lockouts; labor troubles causing cessation or other labor disturbance not under the affected party's direct control; OEM/PMA design failures; or acts or threats of terrorism.

"GTA" means the General Terms Engine Lease Agreement dated 24 May, 2019 between the respective Owner Trustee, as lessor, and Lessee, as lessee.

"Lease Agreement" means an aircraft engine lease agreement dated on or after the date hereof between Owner Trustee (as defined herein), as lessor, and Lessee, as lessee, incorporating by reference the terms of the GTA, and relating to an Engine.

"Lessee" means VB Lease Co Pty Ltd.

"**Lessor**" means the relevant the Owner Trustee which leases an Engine to Lessee pursuant to the Lease Agreement.

"**LLP**" means life-limited part.

"**Operating Lease Engine**" means any Engine which Virgin Australia or Lessee leases from the relevant Owner Trustee pursuant to Clause 3.1.

"**Owner Trustee**" means either Wells Fargo Bank Northwest, National Association or U.S. Bank National Association, each in its respective capacity as owner trustee for the benefit of Willis or an affiliate of Willis.

1.2 In the event of any conflict between the terms of this Agreement and the terms of any Lease Agreement, the terms of the Lease Agreement will control.

1.3 Interpretation. In this Agreement, except as otherwise specified:

- (a) References to a Clause, Sub-Clause or a Schedule shall be construed as references to a Clause or Sub-Clause of or Schedule to this Agreement;
- (b) A reference to any person includes its successors and permitted assigns;
- (c) Words importing the plural shall include the singular and *vice versa*; and
- (e) A reference to any agreement or instrument shall include such agreement or instrument as it may from time to time be amended, supplemented, transferred, assigned, novated, substituted or otherwise modified.

2. **Quantity and Delivery Schedule of Engines.**

2.1 Virgin Australia and Willis agree that the Engines will be delivered to and accepted by Virgin Australia at the times and in the quantities set forth below.

- (a) First Tranche. (i) Willis will ensure that two (2) Engines (collectively, the "First Tranche Engines") are delivered to Virgin Australia on or about 1 June 2019 or such other date parties mutually agree, and (ii) Virgin Australia will accept delivery of such First Tranche Engines, unless otherwise mutually agreed in writing.
- (b) Second Tranche. (i) Willis will ensure that two (2) Engines (collectively, the "Second Tranche Engines") are delivered to Virgin Australia on or about 1 August 2020 or such other date parties mutually agree, and (ii) Virgin Australia will accept delivery of such Second Tranche Engines, unless otherwise mutually agreed in writing.

2.2 Willis' obligation to deliver, or ensure the delivery of, any Engine to Virgin Australia, and Virgin Australia's obligation to accept delivery of any Engine, hereunder, is subject to the terms and conditions set forth herein and in the applicable Lease Agreement and the GTA.

3. Lease Agreement Terms and Conditions.

Notwithstanding anything to the contrary in the GTA, Virgin Australia and Willis agree that the Lease Agreements will include the following material terms, as applicable, unless otherwise mutually agreed in writing:

3.1 Lease Term.

(a) With respect to each First Tranche Engine, the Lease Term will be as follows:

Manufacturer's Serial Number	Delivery Date	Return Date	Lease Term
Engine #1	1 June 2019	1 July 2025	73 months
Engine #2	1 June 2019	1 September 2025	75 months

(b) With respect to each Second Tranche Engine, the Lease Term will be as follows:

	Delivery Date	Return Date	Lease Term
Engine #3	1 August 2020	1 September 2025	61 months
Engine #4	1 August 2020	1 October 2023	38 months

3.2 Engines Conditions. Willis will use commercially reasonable efforts to identify and offer engines which are not forecasted to have a scheduled Unserviceability Event during the applicable Lease Terms and in each case based on the facts and circumstances existing on the date when such engines being offered to Virgin Australia (each a "**Qualified Engine**"). Subject to pre-delivery inspections, Virgin Australia shall accept and lease such Qualified Engine from Willis on the terms set out in the GTA and applicable Lease Agreement.

3.3 Replacement Engines.

(a) Willis may offer for lease an engine that is scheduled to have an Unserviceability Event during the intended Lease Term for such engine (each an "**Initial Engine**"), provided that Willis shall provide a Replacement Engine (as defined below) to Virgin Australia on or before the scheduled Unserviceability Event of that Initial Engine so that the aggregate lease terms for the Initial Engine and the Replacement Engines are no less than the applicable Lease Term of a Qualified Engine.

(b) Unserviceability Event.

a. Without prejudice to the terms of the Lease Agreement (including without limitation the requirements of Lessee pursuant to Article XIII "**Return of Equipment**" of the Lease), upon receipt by Lessor of a written notification from Lessee that an Unserviceability Event has occurred, Lessor shall be entitled to

inspect the Initial Engine to verify that an Unserviceability Event has occurred. Further to Lessor inspection of the Initial Engine, if Lessor determines that no Unserviceability Event has occurred, Lessee shall be responsible for the expenses reasonably incurred by Lessor in making such determination and Lessee shall have no further rights under this paragraph but shall remain bound by the terms and obligations of the Lease Agreement. In the event of verification by Lessor of the occurrence of an Unserviceability Event, Lessor shall using commercially reasonable efforts and subject to general availability of equipment in its portfolio, seek to provide to Lessee replacement equipment for the balance of the Lease Term (such replacement equipment to be of the same type and standard as the Equipment and to be in compliance with the required conditions of the Lease Agreement) (the "**Replacement Engine**") no later than thirty (30) days after Lessor's determination that an Unserviceability Event has occurred. In such circumstances, Lessee shall return the Initial Engine to Lessor in accordance with the required conditions of the Lease Agreement (including for the avoidance of doubt and without limitation, the requirements of Article XIII "Return of Equipment" as set out in the Lease taking into account the existence of the Unserviceability Event).

- b. Upon Lessor's determination that an Unserviceability Event has occurred, Lessor shall tender the Replacement Equipment for delivery in accordance with the provisions of Clause 3.3(b)(a) and Lessee shall execute an Equipment Delivery Receipt acknowledging receipt of the Replacement Equipment in accordance with the terms of the Lease Agreement in respect of the Replacement Equipment shall become subject to the applicable Lease Agreement and shall be deemed to be the "Equipment" for all purposes of that Lease Agreement and shall be subject to the terms and conditions of that Lease Agreement (including for the avoidance of doubt and without limitation, the requirements of Article XIII "Return of Equipment" as set out in that Lease Agreement).
- c. For the purpose of this Clause 3.3 an "**Unserviceability Event**" means an event occurring during the Lease Term whereby the Equipment becomes unserviceable such that the Equipment is no longer eligible for the required serviceability tag as required by the Lease Agreement, provided always that such Equipment becomes or became unserviceable solely as a direct result of either (i) LLP expiration or (ii) EGT margin deterioration (or if each of these factors is forecasted to occur within 150 flight cycles) during the Lease Term in each case due to normal wear and tear. For the avoidance of doubt, foreign object damage ("**FOD**") or abuse or misuse of the Engine shall not be considered an Unserviceability Event.
- d. Notwithstanding anything to the contrary contained herein, Lessee shall be obliged to continue to pay Rent in accordance with the terms of the Lease Agreement notwithstanding the occurrence of and for the duration of such Unserviceability Event subject to a rent abatement in respect of a period up to 10 Business Days from the date of the Lease Agreement in respect of the Replacement Engine.

(c) No increase obligations. It is hereby agreed that Lessee will accept an Initial Engine under the provisions of this Clause 3.3 subject to Lessee having no greater obligation or liability under this Agreement and the applicable Lease Agreement of Initial Engine as a result of accepting such Initial Engine, based on current laws in effect, facts and circumstances then existing at the time of such acceptance, than it would have had if Lessee has accepted a Qualified Engine. Lessee acknowledges that an increase in the number of Indemnitees (not including additional classes or types of indemnitees) and/or performance of Lessee's obligations under the applicable Lease Agreement in respect of the Initial Engine, shall not, of itself, constitute an increase in Lessee's obligations hereunder. For the avoidance of doubt, Lessor shall be responsible for the pre-agreed shipping costs incurred for shipping the Initial Engine to the redelivery location and shipping the Replacement Engine to the Lessee's facility in Australia.

3.4 Rent. The monthly Rent payable under each Lease Agreement will be as set forth in Schedule 1 attached hereto.

3.5 Use Fees. Virgin Australia will not be required to pay monthly Use Fees during any Lease Term. Use Fees compensation will instead be calculated and charged at the return of each applicable Engine in accordance with the terms set out in the Lease Agreement.

3.6 Security Deposit. To secure the due and punctual performance of Virgin Australia's obligations under this Agreement and under each Lease Agreement, Virgin Australia shall pay US\$100,000 in respect of each Engine payable in cash or standby letter of credit issued and confirmed by a bank acceptable to Willis on terms set out in the respective Lease Agreement.

5. Payments.

All payments made under this Agreement shall be in United States Dollars and sent by wire transfer of immediately available funds to the bank account designated in writing by the receiving party.

6. Fleet Data.

Virgin Australia will provide Lessor with all reasonably requested information and/or data including any ECM or EHM data in respect of the Engine from time to time.

7. Representations and Warranties.

7.1 Willis represents and warrants that:

- (a) Willis has been duly incorporated as a corporation and is in good standing under the laws of the State of Delaware, is qualified to do business as now being conducted, and has full corporate power and authority to perform its obligations under this Agreement; and

- (b) the execution and delivery of this Agreement by Willis and the consummation of the transactions contemplated herein do not and will not result in the violation of the provisions of Willis' operating documents or of applicable law or result in a default under or breach of any agreement, indenture, mortgage or other instrument to which Willis is a party, or require the consent or approval of any governmental authority.

7.2 Virgin Australia represents and warrants that:

- (a) Virgin Australia has been duly incorporated as a limited company and is in good standing under the laws of Australia, is qualified to do business as now being conducted, and has full corporate power and authority to perform its obligations under this Agreement; and
- (b) the execution and delivery of this Agreement by Virgin Australia and the consummation of the transactions contemplated herein do not and will not result in the violation of the provisions of Virgin Australia's operating documents or of applicable law or result in a default under or breach of any agreement, indenture, mortgage or other instrument to which Virgin Australia is a party, or require the consent or approval of any governmental authority.

8. Termination.

- (a) This Agreement shall become effective on the date first set forth above and shall stay in force until such time as the last termination date occurs under the Lease Agreements entered into pursuant hereto, unless otherwise mutually agreed in writing.
- (b) If Willis is unable to provide the Replacement Engine in accordance with Clause 3.3, Virgin Australia may elect to terminate the leasing of the Initial Engine and neither party shall have any further obligations or liability under this Agreement, the GTA and the Lease Agreement in respect of that Initial Engine.

9. Miscellaneous.

9.1 Governing Law and Jurisdiction. This Agreement and non-contractual obligations arising out of this Agreement are governed by and will be construed in accordance with English law without regard to any conflict of laws or rules that might result in the application of the law of another jurisdiction. The parties hereto hereby agree to submit to the non-exclusive jurisdiction of the English courts located in London for all claims or disputes arising under this Agreement.

9.2 Force Majeure. Notwithstanding anything to the contrary in this Agreement, neither party shall be liable for, nor be in breach of or default under this Agreement by reason of any failure, impediment or delay in fulfillment of its obligations (other than payment obligations) under this Agreement, to the extent that such failure, impediment or delay is caused, in whole or in part, by a Force Majeure Event. The party that fails, delays, is impeded or is threatened to fail, delay or to be impeded from fulfillment of its obligations under this Agreement due to a Force

Majeure Event, shall promptly notify the other party in writing as and when such Force Majeure Event has arisen or threatens to arise, the reason thereof, as well as to what extent the Force Majeure Event intervenes with or affects the completion of such party's obligations under this Agreement and - if possible - the expected period of the Force Majeure Event. Furthermore, such party shall use its best efforts to mitigate the effects thereof.

9.3 Assignment. Except to the extent otherwise expressly permitted herein, this Agreement may not be assigned by either party hereto, except with the prior written consent of the other party, such consent not to be unreasonably withheld, delayed or conditioned.

9.4 Amendments, Modifications and Waivers. This Agreement may not be amended, changed, waived or terminated in whole or in part orally, but only by an express instrument in writing signed by the party against whom the enforcement of the change, waiver or termination is sought.

9.5 Notices. All notices or requests given in connection with this Agreement will be given in writing and sent prepaid by hand-delivery, or certified mail, return receipt requested, or courier (e.g., Federal Express), or email, in each case, to the person at the address listed below unless either party notifies the other party of a different address.

If to Virgin Australia:

VB LEASECO PTY LTD
c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attn: Steven Fouracre, Group Treasurer
Tel: +61 7 3295 3000
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com

If to Willis:

Willis Lease Finance Corporation
60 East Sir Francis Drake Boulevard
Suite 209,
Larkspur, CA 94939, U.S.A.
Attn: General Counsel
Tel: +1 (415) 408-4700
Email: dpoulakidas@willislease.com

In the case of hand-delivery, notice will be deemed received upon such delivery. In the case of email or a mailed letter, notice will be deemed received upon actual receipt. In the case of a courier delivery, notice will be deemed received on the date of delivery set forth in the records of the courier service that accomplished the delivery. If any notice is sent by more than one of the above-listed methods, notice will be deemed received on the earliest possible date in accordance with the above provisions.

9.6 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.7 No Strict Construction. This Agreement has been negotiated between the parties, each party having had the benefit of legal counsel. The construction or interpretation of any clause or provision of this Agreement or any Lease Agreement will not be construed or resolved against Willis solely because Willis drafted any such clause or provision or otherwise prepared or caused the Agreement or Lease Agreement documents to be drafted.

9.8 Headings. The headings of Clauses and Sub-Clauses contained herein are for convenience and reference only and are not intended to define or limit the scope of any provision of this Agreement.

9.9 Entire Agreement. This Agreement, the aircraft engine lease agreement in respect of the Operating Lease Engine, and each Lease Agreement entered into hereunder contain the entire understanding of the parties with respect to the subject matter hereof, and no warranties, representations or undertakings have been made by either party except as expressly set forth herein and therein.

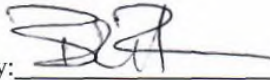
9.10 Binding Agreement. This Agreement will be binding upon and inure to the benefit of the respective permitted successors and assigns of the parties.

9.11 Third Party Rights. Except as expressly provided elsewhere in this Agreement, a person who is not a party to this Agreement or any Lease Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Agreement.

9.12 Counterparts. This Agreement may be executed in counterparts. Such counterpart documents, when taken together, will constitute one and the same instrument. A facsimile or electronically transmitted signature on any such counterpart will be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the day and year first above written.

WILLIS LEASE FINANCE CORPORATION

By: 
Name: Brian R. Hole
Title: President

VB LEASECO PTY LTD

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated

in the presence of:

Signature of witness

Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the day and year first above written.


WILLIS LEASE FINANCE CORPORATION

By: _____
Name: _____
Title: _____

VB LEASECO PTY LTD

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019

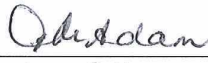
in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney
T.M. McADAM
Attorney

Full name of attorney

Schedule 1
to Engine Lease Support Program Agreement

Lease Payments

Rent:	For each Engine operated at CFM56-7B24 thrust or lower:	US\$58,000.00 per month
	For each Engine operated at CFM56-7B26 thrust:	US\$64,000.00 per month



GENERAL TERMS ENGINE LEASE AGREEMENT

BETWEEN

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
as Owner Trustee, as Lessor**

AND

VB LeaseCo Pty Ltd, as Lessee

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GENERAL TERMS ENGINE LEASE AGREEMENT

BETWEEN

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity but solely as Owner Trustee**

AND

VB LeaseCo Pty Ltd

CONTRACT NUMBER 1

This General Terms Engine Lease Agreement ("GTA") is made and entered into as of May 24, 2019 by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Lease Finance Corporation, or any affiliate of either of them, or their successors or assigns ("Beneficiary"), with offices at 299 S. Main Street, 5th Floor, Salt Lake City, Utah, 84111, and VB LeaseCo Pty Ltd, an Australian corporation ("Lessee"), with its registered offices at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Term of this GTA

The term of this GTA will commence on the date hereof and will continue thereafter until cancelled by either Lessor or Lessee.

2. Individual Engine Leases; Term

(a) From time to time Lessor may lease aircraft engines to Lessee, and Lessee may lease aircraft engines from Lessor, with each such individual engine lease transaction being initiated by the execution by Lessee and Lessor of an Aircraft Engine Lease Agreement ("Lease") substantially in the form of Exhibit A. Each Lease will be for a single engine described by serial number in such Lease, together with all parts and attachments thereto ("Engine"), all Engine records in the possession of Lessor which are requested by Lessee, all Engine records generated by Lessee during the Lease Term, any quick engine change ("QEC") unit and any engine stand ("Engine Stand") or other items related to the Engine (the Engine, such Engine records, QEC unit, Engine Stand and related items, collectively, the "Equipment"). Each Lease will constitute a separate lease of the Equipment and will be deemed to incorporate therein all the terms and conditions of this GTA. Terms used and not otherwise defined herein with reference to any Equipment shall have the meaning set forth in the Lease applicable to such Equipment. Notwithstanding cancellation of this GTA by either Lessor or Lessee during the term of any Lease, this GTA will remain in full force and effect as to such Lease. The parties acknowledge that this GTA does not constitute a commitment to lease any equipment (it being understood that such a commitment would be made by both parties executing a Lease in respect of specified Equipment), but is intended instead to provide a set of terms and conditions applicable to the various Leases that the parties may enter into.

(b) The term of each Lease will be the period specified in such Lease ("Lease Term"); provided, however, that notwithstanding the expiration of the Lease Term, all obligations of Lessee under the Lease and this GTA as applicable thereto shall continue until the Equipment is returned to Lessor in the condition required by Section 18 hereof.

(c) Lessee will redeliver the Equipment to Lessor in the condition required by Section 18 hereof upon the expiration or earlier termination or cancellation of the Lease pertaining to such Equipment.

3. Delivery and Acceptance

(a) Lessor will deliver the Equipment to Lessee on the Delivery Date specified in the applicable Lease of the Equipment and at the ex works ("EXW") location specified in the applicable Lease. On the Delivery Date the Engine will have a Federal Aviation Administration ("FAA") or European Aviation Safety Agency ("EASA") approved return to service maintenance release tag, or an FAA/EASA dual release tag, if appropriate, affixed to it or in the case of new zero time Engines, an Airworthiness release tag and, if applicable and required, an FAA Export Certificate of Airworthiness affixed to it, or in the case of an installed continuing operating Engine, an entry in the Aircraft Technical Log for that flight date stating the continuing serviceability of such Engine and stating that such Engine is installed on such aircraft and in what position together with the Aircraft Technical Log "Certificate of Release to Service" for that flight date. Records for each Engine will be delivered to Lessee in accordance with Section 7(a) of this GTA.

(b) On the Delivery Date, Lessee will deliver to Lessor a receipt for the Equipment substantially in the form of Exhibit B, duly executed by an authorized representative of Lessee. Execution of such receipt (which may include endorsements on it in relation to the condition of Equipment at the Delivery Date) on behalf of Lessee shall signify Lessee's unconditional and irrevocable acceptance of the Equipment for all purposes of the corresponding Lease.

(c) Lessor's obligation to deliver any Equipment pursuant to any Lease is subject to: (A) the absence of any "Default" or "Event of Default" (each, as defined in the applicable agreement) under this GTA, under any other Lease, and under any other "Lease" or "Lease Agreement" or "Aircraft Engine Lease Agreement" or similar agreement entered into between Lessee, as lessee, and Lessor or any Related Party, as lessor (each, a "Related Lease"); (B) the absence of any material adverse change in the business or financial condition of Lessee from such condition as of the date hereof that gives reasonable grounds to conclude that the Lessee would likely not be able to perform and observe (in the normal course) its obligations under this GTA and the Lease(s) ("Material Adverse Change"), and (C) the satisfaction of the conditions precedent set forth below. As used herein, "Related Party" means: (W) Willis Lease Finance Corporation ("Willis"), (X) any affiliate of Willis, or (Y) any owner trust of which any of the foregoing persons (W)-(Y) is a beneficiary.

(i) Receipt by Lessor of the payments required by Section 4(a) below;

(ii) If requested by Lessor, receipt by Lessor's lender, as defined in the Lease or as otherwise notified to Lessee in writing ("Lessor's Lender"), of a Lessee's Acknowledgment of and Consent to Assignment of Lease ("Lessee Consent"), in form and substance acceptable to Lessor's Lender, executed by Lessee;

(iii) Receipt of evidence satisfactory to Lessor and Lessor's Lender that the following authorizations and filings have been obtained and made:

(a) Relevant air operator certificates of the Permitted Sublessees;
and

(b) Any other documents, permits, filings, consents, licenses, authorization or approval of, any exemptions by the relevant government authorities as may be necessary to authorize the execution and performance of the obligations under this GTA and Lease.

(iv) In the case of the initial Lease of an Engine utilizing this GTA, receipt by Lessor and Lessor's Lender of (x) a legal opinion from counsel to Lessee in form and substance acceptable to Lessor and Lessor's Lender and (y) a legal opinion from local counsel with respect to matters of engine titling, accessions, and such related issues as Lessor or Lessor's Lender may request under the laws of Australia;

(v) Receipt by Lessor and Lessor's Lender of the insurance certificates and broker's letter of undertaking required by Section 14(h) below;

(vi) For Long Term Leases as defined in Section 6 where Lessee is not providing a legal opinion per subsection (iv) above, receipt by Lessor of Lessee's Incumbency Certificate and authorizing resolutions and corporate documentation;

(vii) Receipt of a copy of Lessee's approved maintenance program (the "Approved Maintenance Program") which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine;

(viii) Receipt of written confirmation from the Lessee that arrangements have been made for the pre-positioning with Lessor's FAA counsel in Oklahoma City, Oklahoma of duly executed original counterparts of the Lease, and confirmation from such counsel that such Lease is in proper form for filing with the FAA;

(ix) The transaction contemplated by the Lease may be subject to the Cape Town Convention as defined below. Lessee will cooperate with Lessor in order to register the Lease as an international interest or prospective international interest, as determined by Lessor (both as defined in the Cape Town Convention) on the International Registry established pursuant to the Cape Town Convention. Lessee shall take any and all actions necessary to establish and maintain an account with the International Registry as a transacting user entity, appoint an administrator and/or professional user acceptable to Lessor as contemplated by the Cape Town Convention and Lessee will provide satisfactory evidence that the Lessee has consented to the registration of each applicable international interest created under the Lease and assignment of Sublease on the International Registry to extent such consent has been requested by Lessor's counsel;

(x) [Intentionally left blank];

(xi) Receipt by Lessor an executed guarantee in form and substance reasonably satisfactory to Lessor from Virgin Australia Airlines Pty Limited (the "Guarantor") to secure Lessee's obligations under this GTA and Lease;

(xii) [Intentionally left blank];

(xiii) [Intentionally left blank];

(xiv) Receipt by Lessor an executed power of attorney from Lessee in form and substance satisfactory to Lessor and Lessor's Lender; and

(xv) Receipt by Lessor and Lessor's Lender of such other documentation (including any documents to complete the relevant know-you-customers screening) as may be required by Lessor and Lessor's Lender.

(d) [Intentionally left blank].

(e) All documentation required hereunder shall be satisfactory to Lessor and Lessor's Lender and their respective counsel. No later than thirty (30) days following the Delivery Date Lessee shall provide evidence that any "security interest" arising under this GTA or any Lease or, if applicable, sublease (or a transaction or security assignment in connection with any of them) has been registered for the purposes of the Personal Property Securities Act 2009 (Cwth) of Australia ("PPSA") in connection with any security interest in the Engine, this GTA, any Lease or, if applicable, Sublease (or particulars thereof) to the extent permitted by the PPSA.

4. Charges and Payment

(a) On the Delivery Date, Lessee will pay to Lessor an amount equal to the sum specified as the "total payment" in Article VII of the applicable Lease.

(b) For each Lease, Lessee will pay Lessor (i) in advance on the first day of each succeeding calendar month of the Lease Term following the Delivery Date, the Rent for such succeeding month (each such date being a "Rent Payment Date"), and (ii) upon the return of the Equipment, Lessee will pay Lessor the applicable compensation calculated in accordance with Section 18.1.

(c) During the Lease Term for each Lease, commencing with the first full calendar month in which payment of the Rent is due pursuant to Section 4(b) above, Lessee shall submit to Lessor, in writing in accordance with Exhibit D, no later than the fifteenth (15th) day of each calendar month and on the Expiration Date or other termination day, a statement of the actual hours and cycles of operation in the prior month, the engine installation date, the aircraft type, tail number and position on the aircraft (or, in the case of the first such month, since the Delivery Date, and in the case of the Expiration Date or other termination day, since the beginning of such final month).

(d) All payments shall be made by wire transfer of immediately available funds in U.S. dollars ("Dollars") to the account of Lessor or Lessor's Lender as provided in Section 20 hereof and shall originate or otherwise come from a bank that is neither sanctioned nor specifically restricted by the United States of America, European Union or United Nations. In respect of any payment not made when due, Lessee shall pay to Lessor or Lessor's Lender,

as the case may be, an amount equal to interest on such payment at the rate of 3-Month U.S. LIBOR (as published by The Wall Street Journal on the first day of the applicable month "LIBOR") plus 5% per annum computed from the due date of such payment to the actual date such payment is made. Lessee acknowledges that the specification of Dollars in this transaction is of the essence and that Dollars shall be the currency of account in any and all events. The obligations of Lessee hereunder shall not be discharged by an amount paid in another currency, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on prompt conversion to Dollars and transfer to the account specified in Section 20 under normal banking procedures does not yield the amount of Dollars owing to Lessor. In the event that any payment by Lessee, whether pursuant to judgment or otherwise, upon conversion does not yield such amount of Dollars, the Lessee will indemnify and hold Lessor harmless for any additional amount necessary to yield the amount of Dollars due and owing to Lessor.

(e) Any payment due on a day which is not a Business Day in San Francisco, California or in Queensland, Australia, shall be due on the next following Business Day.

(f) Except as provided in this GTA and in any Lease, Lessee shall have no interest in or rights with respect to Security Deposit. In the event that an Event of Default hereunder occurs and is continuing, Lessor and/or Lessor's Lender shall have the right to apply Security Deposit to discharge the obligations of Lessee hereunder, whereupon Lessee shall be obligated to make a payment, or with Lessor's written consent, provide a Security Letter of Credit, to Lessor in an amount sufficient to restore the balance of the Security Deposit to the amount held by Lessor prior to such application. Upon termination of the Lease Term or earlier termination of any Lease the unapplied Security Deposit shall be returned to Lessee without interest.

5. Compliance with Laws

Lessee will comply in all respects with all laws, ordinances, rules, regulations and orders of all governmental authorities applicable to the installation, operation and maintenance of all Equipment. Lessee will not cause or permit any Equipment to be flown or transported to any airport or country if so doing would cause Lessor to be in violation of United States laws, rules, regulations or decrees, unless the Equipment is in such location as a result of an emergency situation outside of Lessee's reasonable control in which case Lessee agree to use all reasonable effort to remove the Equipment as promptly as possible and indemnify and hold Lessor harmless for any loss suffered by Lessor.

6. Use and Maintenance

The length of the individual Lease Term will determine which Use and Maintenance provisions apply to a particular Engine.

(a) **The following provisions will apply in the case of any Lease of six (6) months or less which period includes all extensions, collectively not to exceed six (6) months (individually a "Short Term Lease" and collectively, the "Short Term Leases").**

(i) **Maintain:** During the Lease Term, Lessee will at its cost and expense, service, repair, overhaul and maintain the Engine in accordance with Lessee's Approved Maintenance Program so as to keep the Engine serviceable and in good repair as when delivered to Lessee, ordinary wear and tear excepted. Such maintenance will include maintenance check, normal line maintenance and replacement

of line replaceable units as required, regardless of the cause for removal of the line replaceable unit, and in the case of an ETOPS Engine, the ETOPS standard with respect to Configuration, Maintenance and Procedures will be maintained to the most current published revision throughout the applicable Lease Term. Lessee shall assume and bear risk of loss and damage to the Engine and all components and parts during the Lease Term. It is the responsibility of Lessee to repair, or cause to be repaired, at its sole expense, or to pay the repair costs (to include any additional costs incurred and/or additional work required to be performed as a result of the Engine requiring the repair) related to or resulting from damage to the Equipment by reason of the act or omission of Lessee or by foreign objects or by operational abuse and misuse including, but not limited to, mishandling of the Equipment, incorrect or unauthorized settings or overspeed. Lessor will be responsible for Engine scheduled shop visits required due to LLP expiration and/or performance restoration or Engine deterioration due to normal operating wear and tear. Lessee is not to perform, or have performed, any work on an Engine that is the responsibility of Lessor without prior written approval from Lessor. There will be no abatement of rent for any out-of-service period for which Lessee is responsible. Lessee will not install or perform, or allow or cause to be installed or performed, any Parts Manufacturer Approval ("PMA") parts, and/or repaired parts, nor perform any repairs to the Equipment that have not been approved by the Original Equipment Manufacturer ("OEM") and/or impose any additional limiting condition or limitation on the Engine or part. Lessee will not install, or allow any party to install, any non-"Type Certificate Holder" part(s) or any repaired part(s) that is designated a "Critical Influencing Part" by the respective Engine Type Certificate Holder's "Instructions for Continued Airworthiness". Additionally, the Lessee will not change, alter or repair the Engine in any way that may reduce the Engine's utility, marketability, remaining useful life, or impair the Engine's condition, airworthiness or ability to obtain Engine Type Certificate Holder technical support.

(ii) **Mandatory Change:** Except in the event that Lessee is responsible for the repair of the Equipment in accordance with 6(a)(i), if any modification or repair to any Equipment is required to be made during the Lease Term by reason of any Airworthiness Directive, regulation or advisory circular promulgated by the FAA or Alert Service Bulletin issued by the manufacturer of the Engine ("Mandatory Change"), Lessee shall notify Lessor of such Mandatory Change and Lessor, in consultation with the Lessee, shall have the option to (i) make such Mandatory Change at Lessor's expense, or (ii) terminate the applicable Lease in which latter event Lessee shall re-deliver the Engine in accordance with the terms of Section 18 or (iii) substitute the Engine with another in compliance with the Mandatory Change. If Lessor elects to make such Mandatory Change, Rent shall abate for any out-of-service period required to perform such Mandatory Change.

(b) **The following provisions will apply in the case of any Lease in excess of six (6) months which period includes all extensions (individually a "Long Term Lease" and collectively, the "Long Term Leases").**

(i) **Maintain:** During the Lease Term, Lessee will at its cost and expense, service, repair, overhaul, and maintain the Engine, in accordance with Lessee's Approved Maintenance Program, which shall be equivalent to FAA FAR 121 and EU-OPS, so as to keep the Engine serviceable and in good repair as when delivered to Lessee, ordinary wear and tear excepted. Such maintenance will include all shop visit work, performed by an FAA FAR Part 145 or EASA Part 145 approved repair

station acceptable to Lessee and Lessor, as well as line maintenance and replacement of components and parts as may be required, and shall be performed in the same manner and with the same care as shall be the case with similar engines owned by or operated by or on behalf of Lessee without discrimination except that Lessee will, at the time of redelivery of the Engine, return the Engine in a condition that includes no PMA parts that have not been approved by the OEM, and will ensure that all repairs, parts and limitations will be in accordance with the applicable OEM's approved data and will not impose any additional limiting condition and/or limitation on the Engine or part. The Lessee will not, install, or allow any party to install, any non-Type Certificate Holder part(s) or repaired part(s) that is designated a Critical Influencing Part by the respective Engine Type Certificate Holder's Instructions for Continued Airworthiness. Additionally, the Lessee agrees that the Engine will not be changed, altered or repaired in any way that may reduce the Engine's utility, marketability, remaining useful life, or impair the Engine's condition, airworthiness or ability to obtain Engine Type Certificate Holder technical support. Prior to commencing shop visit work, Lessee will provide Lessor with a copy of the intended workscope for Lessor's approval. In the case of an ETOPS Engine, the ETOPS standard with respect to Configuration, Maintenance, and Procedures will be maintained to the most current published revision throughout the applicable Lease Term. In addition, Lessee will replace any loss of parts to or repair any damage to the Engine, regardless of cause. Lessee will advise Lessor and obtain Lessor's approval before commencing any Non-routine Repair, such approval not to be unreasonably delayed or denied. "Non-routine Repair" means a repair that, due to the absence of the respective OEM's published approved repair data, requires the Lessee, or its agents or designees to obtain such approved data from the OEM.

(ii) **Mandatory Change:** If any modification or repair to any Equipment is required to be made during the Lease Term by reason of Mandatory Change, Lessee shall make such Mandatory Change at Lessee's expense. There shall be no abatement of Rent for any out-of-service period required to perform any Mandatory Change.

(iii) **Use Fees:** Lessee shall be entitled to the use of accumulated engine heavy maintenance per-hour, and if applicable, per-cycle Use Fees to the extent adequate to cover off wing shop visit work required due to normal Exhaust Gas Temperature ("EGT") margin deterioration or other indications of unacceptable performance caused by normal extended operation, such off wing shop visit work being, at a minimum, a performance restoration workscope performed in accordance with the applicable Engine manufacturer's "Workscope Planning Guide" or Engine manufacturer's equivalent maintenance planning document ("Performance Restoration Shop Visit"). Lessee shall not be entitled to the use of accumulated Use Fees if the Engine deterioration was caused by foreign object damage or by operational abuse and misuse including, but not limited to, incorrect or unauthorized settings or overspeed and component failure. If, as set forth above, the Lessee is entitled to the use of accumulated Use Fees, Lessee must first, upon Engine removal, provide Lessor with the reason for removal and the initial workscope. Upon completion of the repair, Lessee will provide to Lessor the full records package evidencing the teardowns and inspection findings, scrap report, repair details and work performed, together with any supporting technical documentation detailing the work scope level on a modular basis and the completion of the Performance Restoration Shop Visit along with the maintenance repair station invoice after the shop visit repair. Lessee shall have the right to apply Use Fees only if no Event of Default has occurred and is continuing. If entitled to in accordance

with this section and upon compliance by Lessee with, and receipt by Lessor of, the foregoing, and if Use Fees for life-limited parts as specified in the applicable Lease have been paid by Lessee to Lessor, Lessee shall be able to use accumulated Use Fees for the replacement of life-limited parts. In the event that Use Fees are not sufficient to pay for such maintenance and repair, Lessee shall pay any deficiency. The obligations, covenants and liabilities of Lessee under this provision arising prior to return of the Equipment to Lessor shall continue in full force and effect notwithstanding any termination arising out of an Event of Default under any Lease, Related Lease or otherwise, until such time as Lessor has received all sums and performances to which it is entitled under any Lease and Beneficiary has received all sums and performances to which it is entitled under any Related Lease.

(c) The following provisions will apply in the case of all Leases regardless of duration.

(i) **Use:** Lessee will use each Engine in a safe manner and in accordance with the manufacturer's recommended operating procedures and manuals and instructions in effect and as revised from time to time only on commercial transport aircraft owned or operated by Lessee or by any Sublessee permitted in the Lease. Lessee agrees not to operate or locate the Equipment or permit the Equipment to be operated or located in any area excluded from insurance coverages required to be maintained pursuant to Section 14.

(ii) **Replacement parts:** Lessee will ensure that all replacement parts will be (i) free and clear of liens, (ii) of equal or better modification and time status and value than the parts replaced, assuming the parts replaced were in the condition required by this GTA; and upon installation on the Engine, title to such replacement parts shall immediately vest in Lessor. All such replacement parts must be of the same manufacturer and model number as the replaced parts and must have been last serviced by an FAA FAR Part 145 and EASA Part 145 approved repair facility. Additionally, such replacement parts will not have been changed, altered or repaired in any way that may reduce the utility, marketability or remaining useful life of the parts or the Engine, or impair the parts or the Engine's condition, airworthiness or ability to obtain Engine Type Certificate Holder technical support.

(iii) **Engine Warranty:** In the event that Lessee is responsible for the repair of the Engine and the Engine still has a current and valid warranty with a repair station, Lessee will utilize the applicable repair station for repairs while the Engine is still under warranty.

(iv) **Recognition of Rights:** If Lessee knows before the date of delivery of the Equipment the aircraft on which the Engine is to be installed, Lessee will use its best efforts to obtain an executed copy of the Aircraft Owner/Mortgagee Acknowledgment, substantially in the form attached hereto as Exhibit C, from the owner and mortgagee, if any, of the aircraft on which the Engine is to be installed, recognizing the rights of Lessor and Lessor's Lender, if any, in the Engine to the exclusion of the owner and mortgagee of the aircraft, if any, and waiving the exercise of any rights by the aircraft owner and mortgagee of the aircraft, if any, with respect to the Engine (the "Recognition of Rights Agreement") or otherwise meet the requirement under Section 6(c)(v).

(v) **Lessee's Additional Representations and Warranties:** Lessee may permit installation of the Engine on any airframe which is within Lessee's or Sublessee's fleet provided that (a) no Event of Default has occurred and is continuing and (b) Lessee on each installation represents and warrants to Lessor that such airframe is within the operational control of the Lessee or that said Sublessee and neither the provisions of applicable law nor the terms of any leasing or financing contract to which the aircraft is subject prohibit such installation or will impair the title and interests of the Owner, Lessor and/or financing party of the Engine.

7. Records

(a) Lessor will deliver to Lessee on the Delivery Date for any Engine all records and relevant access and log in codes for such Engine requested in writing by Lessee reasonably in advance of such Delivery Date which are in the possession of Lessor.

(b) Lessee will maintain and provide to Lessor complete and accurate records in English for each Engine. All such records will be deemed as part of the Equipment as of the time generated. Such records will be made available to Lessor for inspection upon request in accordance with Section 13 of this GTA. Lessee will report hours and cycles of operation and location and identification of aircraft and installed position of each Engine to Lessor prior to the fifteenth (15th) day of each calendar month during the Lease Term of each Lease. Additionally, throughout the Lease Term for each Engine, Lessee will monitor and record Engine performance and at redelivery Lessee will provide complete and legible Engine Condition Monitoring (ECM)/Engine Health Monitoring (EHM) data, to include both take off and cruise mechanical and performance parameters.

(c) Upon redelivery of the Engine to Lessor, Lessee will return all Engine records delivered to Lessee by Lessor, together with all Engine records generated by Lessee, which will be equivalent to the records provided by Lessor at delivery in accordance with Exhibit F "Redelivery Documentation." Additionally, Lessee will provide an Engine Certification Statement in accordance with Exhibit E of this GTA.

(d) With respect to any part installed by Lessee during a Lease and not removed prior to the return of an Engine, the records returned to Lessor will include:

(i) Manufacturer, part number, nomenclature and serial number of life-limited parts, time controlled parts and serialized parts; and

(ii) Historical records, including but not limited to: (A) serviceability status of the part at installation, i.e. FAA or EASA Release to Service tag in accordance with the requirements of Section 6(c)(ii) of this GTA; (B) for life-limited parts, time-controlled parts and serialized parts, total time and cycles, time and, if applicable, cycles since overhaul as may be applicable and total time and, if applicable, cycles of the Engine at the time of part installation; and (C) additionally for a life-limited part, documentation tracing usage of the part since new.

8. Modification

Lessee will not make any modifications or alterations to any Equipment without Lessor's prior written consent, except for the incorporation of the respective OEM's Service Bulletins

which are required to be performed in accordance with Lessee's Approved Maintenance Program, or for any Mandatory Change to Equipment subject to Long Term Lease(s).

9. Risk of Loss

From the Delivery Date until the moment of redelivery to Lessor in accordance with the requirements of Section 18 of this GTA, Lessee shall bear the entire risk of loss of any Equipment from any and every cause whatsoever whether or not insured. Lessee will immediately notify Lessor in the event of any of the following ("Casualty Event"): (a) the actual or constructive total loss or destruction of any Equipment whether while installed on aircraft or otherwise, or damage thereto beyond economic repair during the Lease Term of a Lease (including any event which results in an insurance settlement on the basis of a total loss or a constructive or compromised total loss); or (b) the loss of possession or detention of any Equipment for more than thirty (30) consecutive days for any reason, including but not limited to seizure, requisition, theft, disappearance or otherwise; or (c) the requisition of title to any Equipment by or on authority of any governmental entity or by any creditor of Lessee. A Casualty Event shall be deemed to have occurred with respect to all Equipment subject to a Lease if a Casualty Event occurs with respect to the Engine. Following the occurrence of a Casualty Event, Lessee will pay the loss payee (or if agreed by the loss payee, the Lessor) the Agreed Value of such Equipment as specified in the Lease within 3 Business Days after receipt of insurance proceeds in respect of the Casualty Event or within 60 days after the concurrence of the Casualty Event, whichever is earlier. Upon such payment of Agreed Value together all Rent and other amounts then due and payable under the Lease, the obligation of Lessee to make further payments of Rent or any other amounts under the applicable Lease shall terminate, the Lease shall terminate with respect to the Equipment and Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest, if any, in and to the Equipment suffering the Casualty Event. Upon compliance by Lessee with the terms hereof, and provided no Event of Default shall have occurred and then be continuing, Lessor shall pay to Lessee any additional insurance proceeds theretofore or thereafter received by Lessor or loss payee in respect of such Equipment from the insurance Lessee carries in accordance with Section 14 hereof.

10. No Abatement or Set Off

Each Lease is a net lease. Lessee's obligation to pay all charges provided for herein is absolute and unconditional, and Lessee will not be entitled to any abatement, reduction of or set off against rents or other payments due Lessor under any circumstances or for any reason whatsoever.

11. Release and Indemnity

(A) LESSEE HEREBY RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD EACH INDEMNITEE HARMLESS, ON AN AFTER-TAX BASIS, FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, PENALTIES, FINES, LIENS, DEMANDS, SUITS, DAMAGES AND LOSSES (INCLUDING WITHOUT LIMITATION ALL REASONABLE ATTORNEY'S FEES, COSTS AND EXPENSES IN CONNECTION THEREWITH OR INCIDENT THERETO), INCLUDING WITHOUT LIMITATION FOR DEATHS OF OR INJURIES TO ANY PERSONS WHOMSOEVER (INCLUDING WITHOUT LIMITATION LESSEE'S EMPLOYEES), FOR INFRINGEMENT OF PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHT, AND FOR LOSS OF OR DAMAGE TO OR DELAY IN THE DELIVERY OF ANY PROPERTY WHATSOEVER (INCLUDING WITHOUT LIMITATION ANY AIRCRAFT ON

WHICH ANY ENGINE MAY BE INSTALLED AND LOSS OF USE THEREOF), IN ANY MANNER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE CONDITION, DELIVERY, OWNERSHIP (INCLUDING WARRANTY, PRODUCT LIABILITY AND STRICT LIABILITY IN TORT BY VIRTUE OF OWNERSHIP) LEASING, STORAGE, TRANSPORTING, INSTALLATION, OPERATION, MAINTENANCE OR USE OF ANY EQUIPMENT WHILE UNDER LEASE, OR THE ATTACHMENT OR DETACHMENT OF ANY EQUIPMENT IN CONNECTION WITH THE DELIVERY OR REDELIVERY OF ANY SUCH EQUIPMENT HEREUNDER, REGARDLESS OF NEGLIGENCE, ACTIVE, PASSIVE OR ANY OTHER TYPE, OF THE INDEMNITEES; PROVIDED THE FOREGOING INDEMNIFICATION WILL NOT APPLY TO ANY CLAIM OR LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THAT INDEMNITEE.

(B) IN NO EVENT WILL THE LESSEE NOR THE INDEMNITEES BE LIABLE FOR ANY REASON FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS LOST REVENUES, LOST PROFITS OR LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, RESULTING FROM ANY PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT.

(C) IN THIS GTA, INDEMNITEE MEANS (A) EACH OF LESSOR (IN ITS INDIVIDUAL CAPACITY AND AS OWNER TRUSTEE), BENEFICIARY, LESSOR'S LENDER, AND (B) THEIR RESPECTIVE SUCCESSORS, PERMITTED ASSIGNS AND PERMITTED TRANSFEREES, AND (C) THE RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS.

The provisions herein shall survive the completion of the transactions contemplated by this GTA and each Lease and the earlier cancellation or termination of this GTA and each Lease.

12. Warranty; Disclaimer; Representations

(a) Lessor warrants it will have good title to the Equipment at the time of delivery to Lessee free and clear of all liens other than Lessor's Liens and that Lessor has the right to lease such Equipment.

(b) The Equipment is leased and accepted by Lessee in "AS IS" condition and with all faults. Lessor makes no warranties whatsoever with respect to any Equipment, express or implied, except the warranties appearing in Section 12(a) above.

(c) THE WARRANTIES SET FORTH IN THIS SECTION 12 AND THE OBLIGATIONS AND LIABILITIES OF LESSOR THEREUNDER, ARE EXPRESSLY IN LIEU OF, AND LESSEE HEREBY WAIVES AND RELEASES LESSOR AND BENEFICIARY FROM, ANY AND ALL OTHER WARRANTIES, AGREEMENTS, GUARANTEES, CONDITIONS, DUTIES, OBLIGATIONS, REMEDIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR INTENDED USE, OR FREEDOM FROM INTERFERENCE OR CLAIMS OF INFRINGEMENT, WITH RESPECT TO ANY EQUIPMENT LEASED HEREUNDER OR LESSOR'S PERFORMANCE HEREUNDER. NO AGREEMENT OR UNDERSTANDING VARYING, ALTERING OR EXTENDING LESSOR'S LIABILITY WILL BE BINDING ON LESSOR UNLESS IN WRITING AND SIGNED BY LESSEE'S AND LESSOR'S DULY AUTHORIZED OFFICER OR REPRESENTATIVE. NOTHING IN THIS GTA

PURPORTS TO NEGATE ANY WARRANTY THAT CANNOT BE EXCLUDED BY THE LAWS OF AUSTRALIA.

(d) Provided that no Default has occurred and is continuing under the Lease, Lessor hereby authorizes Lessee to exercise for the account of Lessor during the Lease Term such rights as Lessor may have under any and all assignable warranties of manufacturers, maintenance facilities and overhaul agencies, of and for the Equipment, as such warranties may be extended from time to time, but without recourse to Lessor. During the Lease Term Lessee shall, at Lessee's expense, take reasonable steps to enforce the rights arising under any warranties of manufacturers, maintenance facilities and overhaul agencies applicable to the Equipment and assigned to Lessor. Upon an Event of Default and/or termination or cancellation of a Lease, all such rights shall immediately revert to Lessor (including all claims thereunder whether or not perfected).

(e) Lessee hereby makes the following representations and warranties as of the execution and delivery of each Lease and the Delivery Date of each Engine, which representations and warranties shall survive such execution and delivery:

(i) Lessee is a corporation duly organized, existing and in good standing under the laws of the Australia and has the corporate power and authority to carry on its business as presently conducted and to perform its obligations under this GTA and the applicable Lease;

(ii) this GTA and the Lease have been duly authorized by all necessary corporate action on the part of Lessee, and neither the execution and delivery hereof or thereof nor the consummation of the transactions contemplated hereby or thereby nor compliance by Lessee with any of the terms hereof or thereof will contravene any applicable law or result in any breach of, or constitute any default under, or result in the creation of any Liens (other than any Permitted Liens) upon any property of Lessee under, any credit agreement or instrument, corporate charter or by-law or other agreement or instrument to which Lessee is a party or by which Lessee or its properties or assets are bound or affected;

"Permitted Liens" in respect of any Equipment means any of the following:

- (a) Liens created or permitted under this GTA and the applicable Lease Agreement (including the Lien constituted by any Sublease);
- (b) Airport's, air navigation authorities', airport hangar keepers', mechanics', material mens', carriers', employees' or other similar Liens arising, in each case, in the ordinary course of business by statute or by operation of law in respect of obligations which are not overdue or which are being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been set aside by Lessee) so long as any such proceedings or the continued existence of such Liens do not involve the likelihood of any criminal liability on the part of any Indemnitee or that the respective interests of the Indemnitee in the Equipment or any Insurances will be adversely affected;

- (c) Liens for Taxes (including fees or charges of any airport or air navigation authority) not yet assessed or if assessed either not yet due and payable or if due and payable being contested in good faith by appropriate proceedings (and for which adequate reserves exist or, when required in order to pursue such proceedings, an adequate bond has been provided), so long as such proceedings or the continued existence of the relevant Lien do not involve any risk of the sale, forfeiture or loss of the Equipment or any interest therein or criminal liability on the part of any Indemnitee; and
- (d) any Indemnitee's Liens.

(iii) Lessee has received every consent, approval or authorization, and has given every notice, that is required for Lessee to execute and deliver this GTA and the Lease, and to perform the transactions contemplated hereby and thereby (including all monetary and other obligations hereunder) and all of which remain valid and effective;

(iv) this GTA has been duly executed and delivered by Lessee, and this GTA does, and the Lease when executed and delivered by Lessee will, constitute legal, valid and binding obligations of Lessee, enforceable in accordance with their respective terms;

(v) no registrations, including registrations of prospective international interests, have been made by Lessee or on behalf of the Lessee covering the Engine on the International Registry, and Lessee warrants that it will neither initiate nor consent to any registration, nor appoint a professional user to initiate or consent to any such registration, including registration of prospective international interests, against the Engine on the International Registry, other than as provided for in this GTA;

(vi) the consolidated financial statements of Virgin Australia Holdings Limited ("Lessee Parent"), including the balance sheets and audited statements of income and retained earnings of Lessee Parent, for the preceding fiscal year are prepared in accordance with generally accepted accounting principles and practices in Australia, and present fairly the financial position and operations of Lessee Parent, and subsequent to the conclusion of the last such period, there has been no Material Adverse Change in such position or operations;

(vii) to the best of Lessee's knowledge and belief, Lessee is subject private commercial law and neither it nor any of its assets has the right of immunity from any claims, suits, legal proceedings on the ground of sovereign immunity;

(viii) there are no lawsuits, proceedings, litigation or other dispute commenced, pending or threatened (to the best of Lessee's knowledge and belief) against the Lessee or its property which could have a material adverse effect on the financial condition or business of the Lessee or its ability to perform its obligations under this GTA or the applicable Lease or any document to which it is a party;

(ix) no steps have been taken, or are being taken by Lessee to appoint any controller, receiver, liquidator (provisional or otherwise), administrator, judicial manager, trustee or similar officer over the Lessee or any of its assets or Lessee has not receive any notice to wind up or to initiate any insolvency or bankruptcy proceeding, voluntary arrangement, moratorium, scheme of arrangement or any form of territorial, secondary, or ancillary insolvency proceedings has been filed or commenced against the Lessee.

(f) Lessee further makes the following representations and warranties as of the execution and delivery of each Lease, the Delivery Date of each Engine and on each Rent Payment Date, which representations and warranties shall survive such execution and delivery:

(i) Lessee is and will remain a tax resident of Australia under the laws of that country and for the purposes of the Convention between the Government of Australia and the Government of the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (the "Treaty");

(ii) Lessee does not make any payments under this GTA or any Lease at or through a permanent establishment in United States of America;

(iii) Lessee is a "qualified person" under article 16 of the Treaty; and is entitled to the benefits of the Treaty.

(g) Lessor hereby makes the following representations and warranties as of the execution of each Lease, the Delivery Date of each Engine and on each Rent Payment Date by reference to the facts and circumstance existing on such date and shall survive the execution hereof and delivery:

(i) Lessor is a tax resident of the United States of America under the laws of that country and for the purposes of Treaty;

(ii) Lessor does not receive any payments under this GTA or any Lease at or through a permanent establishment in Australia;

(iii) Lessor is beneficially entitled to all payments (including any rent) under this GTA and each Lease paid by the Lessee; and

(iv) Lessor is a "qualified person" under article 16 of the Treaty and is entitled to the benefits of the Treaty.

13. Inspection

During the Lease Term with reasonable prior notice, Lessee will permit any person designated by Lessor, or Lessor's Lender, in writing to visit and inspect the Equipment, work performed on the Equipment by Lessee, and the records maintained in connection therewith, and to make copies of such records all at such reasonable times provided that such inspection does not unreasonably disrupt or interfere with the Lessee's day to day operation of the Equipment. Any such inspection will be completed at Lessor's expense and risk and such person shall comply with all relevant directions (including workplace safety and security directions) of the Lessee provided that if an Event of Default has occurred and is continuing or

as a result of such inspection Lessor becomes aware that an Event of Default has occurred and is continuing then Lessee shall reimburse Lessor (or its designee) for all costs and expenses incurred in conducting such inspection. Neither Lessor nor any person designated by Lessor as provided above shall have any duty to make any such inspection and none shall incur any liability or obligation by reason of making or not making such inspection.

Unless an Event of Default has occurred and is continuing, any inspection made under this clause shall be conducted by the Lessor not more than once every calendar year (unless otherwise agreed by Lessee, acting reasonably) provided that Lessor may with reasonable prior notice inspect the Equipment to facilitate the sale of the Equipment during the Lease Term.

14. Insurance

(a) Lessee will procure and maintain in full force and effect at all times during the term of each Lease policies of insurance of the type and in the minimum amounts stated below and shall be placed directly (or, if not so placed, reinsured in accordance with Section 14(o)) in the international insurance market, with insurers of recognised responsibility and good repute, specialising in and normally participating in aviation insurance and Lessee shall, at Lessor's reasonable request from time to time, confirm (subject to any confidentiality restrictions) the identity of the insurers, reinsurers and underwriters under the applicable insurances and of the respective risk shares assumed by each of them:

(i) Comprehensive Airline Liability Insurance, including Products Liability/Completed Operations, Contractual Liability and Aviation War Risk Liability Insurance with a limit of not less than Seven Hundred Fifty Million U.S. Dollars (U.S.\$750,000,000) combined single limit per occurrence, subject only to applicable third party liability sublimit of insurance provided by Aviation Insurance Clause AVN 52E (however, the total War Risks Liability coverage including Third Party War Risks must be the same amount as the combined single limit either by the purchase of Excess Third Party War Risks insurance and/or any other applicable government sponsored insurance program for aviation war risk liabilities), naming Lessor (both in its individual and trustee capacities), Beneficiary, Lessor's Lender and such other entities as are designated in the applicable Lease and/or Lessee's Consent, and their respective directors, officers, agents and employees as additional insureds (collectively, the "Additional Insureds"). Such policy will expressly cover the obligations assumed by Lessee in Section 11 above.

(ii) Aircraft hull insurance covering all risks, ground and flight, to the Equipment in a minimum amount not less than the Agreed Value stated in the Lease for such Equipment. Such policy will include the Additional Insureds as additional insureds as their interests may appear and shall name Lessor's Lender as sole loss payee.

(iii) All risk spares insurance, including in transit coverage, on the Equipment covering any damage which may occur while in Lessee's care, custody and control but not then attached to an aircraft in a minimum amount not less than the Agreed Value stated in the Lease for such Equipment. Such policy will include the Additional Insureds as additional insureds as their interests may appear and shall name Lessor's Lender as sole loss payee.

(iv) Aviation Hull War and Allied Perils: Aviation Hull War and allied risk insurance covering All Risks to the Equipment being such risks excluded from the

aviation hull all risks policy to the fullest extent available from the leading international insurance markets, such insurance shall include the risks of confiscation and requisition by any government and/or the government of the Lessee's State, as well as all matters contained in LSW555D or equivalent, with a minimum amount of insurance not less than the Agreed Value stated in the Lease for such Equipment. Such policy will include the Additional Insureds as additional insureds as their interests may appear and shall name Lessor's Lender as sole loss payee.

(v) Gross Up: When any Engine is installed on an aircraft, the insured agreed value of that aircraft shall be automatically increased by the amount of the Agreed Value for such Engine, as set forth in the applicable Lease, and shall be so noted on the insurance certificate.

(b) All insurance coverage listed in Section 14(a) above shall be subject to and on terms consistent with AVN 67B or AVN 67C and shall stipulate that payments upon a total loss shall be made in accordance with the relevant "contracts" named in this GTA and each Lease, and shall name Lessor or, if applicable, Lessor's Lender, as sole loss payee, which reference in the insurance policy and insurance certificate shall be to them as Contract Parties in amounts requested by Lessor or Lessor's Lender.

(c) All policies will provide that all insurance carriers, including the hull insurance carrier for the aircraft on which any Engine may be installed, waive any and all rights of subrogation that such carriers may or could have against the Additional Insureds and their respective directors, officers, agents and employees by virtue of such insurance contracts.

(d) Any deductibles in the insurance coverage described in this Section 14 are the sole responsibility of Lessee.

(e) All of the policies of insurance required of Lessee will include breach of warranty protection in favor of the Additional Insureds.

(f) All policies required of Lessee will provide that such insurance will be primary insurance and that any other insurance of the Additional Insureds will be secondary or excess insurance.

(g) All policies will provide that Lessor and Lessor's Lender will be given thirty (30) days prior written notice by the insurers of policy cancellation or material adverse change thereof except for the war risk coverages referred to in Section 14(b) which will require seven (7) days prior written notice.

(h) Lessee will provide Lessor and Lessor's Lender with certificates of insurance satisfactory to Lessor and Lessor's Lender.

(i) All losses will be adjusted with Lessor, Lessor's Lender and Lessee.

(j) Lessee's deductibles for any insurance required under Section 14(a) above shall not exceed \$750,000 for aircraft hull when installed on an airframe and such deductibles shall not exceed \$50,000 when the Engines is not installed.

(k) All policies required hereunder will (1) include (i) a severability of interest clause (in respect of liability insurance only), (ii) waiver of set-off or counterclaim, and (iii)

recognition that the Insured's right to pay premiums is not an obligation to pay premiums, (iv) a 50/50 provisional claims settlement clause (in respect of hull and hull war insurances only) and (2) be accompanied by a broker's letter of undertaking.

(l) If Lessor assigns all or any of its rights under this Lease as permitted by this GTA or any Lease or otherwise disposes of any interest in the Equipment to any other person, Lessee will, upon request, procure that such person hereunder be added as loss payee, contract party and/or additional assured in the policies effected hereunder and enjoy the same rights and insurance enjoyed by Lessor under such policies. The Additional Insureds will nevertheless continue to be covered by such policies.

(m) Lessee shall effect and maintain insurance after the Lease Term with respect to its liability under the indemnities in Section 11 for a period two years or until the next scheduled heavy maintenance check, whichever comes first, providing for each of the Additional Insureds to be named as an additional insured pursuant to the applicable liability provisions of the airline finance/lease contract Endorsement 67B or AVN 99, as applicable.

(n) Lessee's obligations under this Section 14 shall not be affected by the Lessee ceasing to lease the Equipment or any of the Additional Insureds ceasing to have any interest in respect of the Equipment, and upon a transfer pursuant to Section 17, Lessee shall continue to name the Additional Insureds as additional insureds under the insurance policies required by this Section 14 for two years after the date of transfer or assignment.

(o) Reinsurance: The terms of any required reinsurance shall:

(i) be on the same terms as the original insurances (and shall include the provisions set out in this Section);

(ii) contain a "cut-through" clause in the following terms or otherwise satisfactory to Lessor;

(iii) The reinsurers hereby agree that in the event of any claim arising under the reinsurances in respect of a Total Loss or other claim where, as provided by this GTA and any applicable Lease, such claim is to be paid to the person named as sole loss payee under the primary insurances, the reinsurers shall in lieu of payment to the reassured, its successors in interest and assigns, pay to the person named as sole loss payee under the primary insurances effected by the Assured that portion of any loss due for which the reinsurers would otherwise be liable to pay the reassured (subject to proof of loss), it being understood and agreed that any such payment by the reinsurers shall (to the extent of such payment) fully discharge and release the reinsurers from any and all further liability in connection therewith. Any payment due under this clause shall not contravene any law, statute or decree of Australia; and

(iv) provide in the case of any bankruptcy, liquidation, dissolution or similar proceedings of or affecting the reassured that the reinsurers' liability shall be to make such payments as would have fallen due under the relevant policy of reinsurance in accordance with the cut-through clause referred to above if the reassured had (immediately before such bankruptcy, liquidation, dissolution or similar proceedings) discharged its obligations in full under the original insurance policies in respect of which the then relevant policy of reinsurance had been effected.

(p) Application of Insurance Proceeds. As between Lessor and Lessee and to the extent not stipulated or provided in the relevant policies of insurance procured and maintained by Lessee in accordance with Section 14(a):

(i) all insurance payment received as the result of a Casualty Event occurring the Lease Term will be paid in accordance with Section 9;

(ii) In the event of a repair damage to the Equipment or any damage or loss to the Engine or part occurring during the Lease Term not constituting a Casualty Event that results in receipt of insurance proceeds, all such insurance proceeds which may be payable by the insurers of the Equipment shall be paid to (a) Lessor, if Lessor is responsible for such repair and has paid for such repair, (b) Lessee if Lessee is responsible for such repair and has paid for such repair and subject to no Event of Default having occurred and continuing, (c) the repairer for the cost of the completed repair works where such cost has not already been paid by Lessee, or (d) the vendor of any new replacement Equipment or part where such cost has not already been paid by Lessee, in each case in respect of all loss or damage to the Equipment that have been made good (or caused to be made good); and

(iii) all insurance proceeds in respect of third party liability will, except to the extent paid by the insurers to the relevant third party, be paid to the relevant assured or additional assured as appearing on the insurance certificate issued in accordance with this Section 14 and which assured or additional assured has made payment to the relevant third party, in reimbursement of any payment so made,

for the avoidance of doubt, nothing this Section 14(p) shall be deemed, construed, or otherwise interpreted to release Lessee from its obligations to maintain insurances in respect of the Equipment for the purposes of this GTA and each Lease which incorporate the terms and conditions of Airline Finance/Lease Contract Endorsement AVN67B or AVN 67C, as applicable. To the extent that any provision of AVN67B or AVN 67C, as applicable, conflicts or is otherwise inconsistent with the requirements of this GTA and each Lease relating to insurances, then (so long as it is general practice to insure aircraft financed or leased on the basis of such endorsement) such conflicting or inconsistent provision of AVN67B or AVN 67C, as applicable shall prevail.

15. Title to Equipment

Lessee will not permit any lien, security interest, claim, right of detention, mortgage, encumbrance, hypothecation, pledge, charge, lease, interest or prospective interest under the Cape Town Convention, statutory right in rem, enforcement or exercise of rights, attachment, levy, title retention, right of possession, right of set-off, or right of ownership whatsoever ("Liens"), except Permitted Liens and Liens voluntarily granted by Lessor or arising from acts of Lessor that are not expressly contemplated and permitted hereunder ("Lessor's Liens"), to attach to any Equipment. Lessee will indemnify Lessor, Beneficiary and Lessor's Lender for any damage suffered by Lessor, Beneficiary or Lessor's Lender, including costs and expenses incident thereto, occurring as a result of any Liens not permitted hereunder. Lessee's rights will be solely those of a lessee and nothing contained herein is intended or will be interpreted as granting to Lessee any other right, title or interest in or to any Equipment, whether legal or equitable.

If an Engine does not have a placard or the Lessor has transferred or assigned its rights under Section 17, Lessee will attach to each Engine a placard to be provided by Lessor or Beneficiary. Lessee will assure that said placard remains affixed to each Engine at all times during the Lease Term. If the Engine does not have a placard at the time of the commencement of the Lease Term, the Lessee will ensure that such placard is affixed to an Engine on the earlier of the next scheduled shop visit for the Engine and by 90 days after the commencement of the Lease Term.

16. Taxes

(a) **Withholding Indemnity:** If, as a result of any changes in law, any Tax, monetary transfer fee or other charge is required to be withheld from any payment to or for the benefit of any Tax Indemnitee pursuant to this GTA or any Lease, Lessee shall pay to the person entitled to receive such payment such additional amount as may be necessary to enable such person to receive and retain, after such withholding and after subtracting from such payment all Taxes required to be paid by such person as a result of the receipt or accrual of such additional amount, the amount that such person would have received and retained in the absence of such withholding.

(b) **General Tax Indemnity:** Except to the extent provided in Sections 16(a) and 16(d), Lessee shall pay when due and indemnify and hold each Tax Indemnitee harmless from all Taxes imposed by any federal, state or local government or taxing authority in Australia or by any government or taxing authority of or in a territory or possession of Australia or by any government or taxing authority in any other jurisdiction or by any international taxing or regulatory authority (excluding any tax or regulatory authority in the Tax Indemnitee's country of residence) resulting from, with respect to or in connection with the transactions contemplated by the GTA and each Lease, regardless of the manner in which such Taxes are imposed (for example, whether such Taxes are imposed on a Lessor, Beneficiary, Lessor's Lender, Lessee, the Equipment or any part thereof or interest therein, the GTA, any Lease or otherwise), and including (but not limited to) Taxes resulting from, with respect to or in connection with:

- (i) the Equipment or any part thereof or interest therein,
- (ii) the use, operation, maintenance, repair, possession, condition, control, servicing, installation, transportation, storage, substitution, replacement, recording, documentation, importation, exportation, modification, location, presence, abandonment, delivery, registration, deregistration, repossession, improvement, ownership, leasing, subleasing, rental, return, sale, transfer of title, transfer of possession or other disposition of the Equipment or any part thereof or interest therein,
- (iii) the rentals, receipts, earnings or gains arising from the Equipment or any part thereof or interest therein,
- (iv) any amount payable pursuant to this GTA or any Lease or any related agreement,
- (v) this GTA or any Lease or any future amendment, supplement, waiver or consent with respect to any thereof, or the execution, delivery, recording, performance or enforcement of any thereof.

(c) After-Tax Basis: Each payment or indemnity payable by Lessee pursuant to this Section 16 shall be paid on an after-tax basis, meaning that Lessee's payment shall include such amount as may be necessary:

(i) to indemnify the Tax Indemnitee to which or for the benefit of which such payment or indemnity is payable for all Taxes required to be paid by such Tax Indemnitee as a result of the receipt or accrual of such payment or indemnity, and

(ii) to cause the net after-tax return of such Tax Indemnitee from the transaction contemplated by this GTA or any Lease to be at least equal to the net after-tax return such Tax Indemnitee would have had in the absence of the Tax for which Lessee's payment or indemnity is being paid,

in each case calculated based on the assumption that such Tax Indemnitee is subject to income taxes at the highest marginal statutory rates applicable to corporations when such payment or indemnity is received or accrued.

(d) Unindemnified Taxes: Lessee shall not be required to indemnify any Tax Indemnitee pursuant to Section 16(b) for any Tax:

(i) imposed on or measured by the overall net income, profits or gains of such Tax Indemnitee, except to the extent that such Tax would not have been incurred but for, or is increased as a result of, one or more of the following: (a) the registration, use or presence of any item of Equipment in the jurisdiction imposing the Tax or (b) Lessee's having its place of organization or any place of business in such jurisdiction or (c) Lessee's making any payment in or from such jurisdiction;

(ii) imposed upon any Tax Indemnitee to the extent resulting from a sale, assignment, transfer or other disposition by any Tax Indemnitee of its interest in the Equipment, this GTA or any Lease except where Lessor is exercising its rights under the pertinent provisions of this GTA and the applicable Lease to sell, assign, novate, transfer or otherwise dispose of the Equipment when an Event of Default has occurred and is continuing;

(iii) imposed as a result of the willful misconduct, gross negligence or recklessness on the part of the Tax Indemnitee;

(iv) imposed by the taxing authority or related government subdivision of that taxing authority in United States of America or any other taxing authority in any Tax Indemnitee's jurisdiction of tax residence, other than taxes imposed by reason of the use or presence of the Equipment in that jurisdiction;

(v) imposed on any Tax Indemnitee which results from such Tax Indemnitee's breach of any of its representations, warranties or obligations in this GTA or any Lease or which would not have arisen had the Tax Indemnitee's representation and warranties been correct at the time made or repeated;

(vi) arising as a result of the application of any anti-avoidance provisions in any jurisdiction, unless such application of anti-avoidance provisions is connected to, arising out of or otherwise attributable to the transactions contemplated by the applicable Sublease; or

(vii) imposed as a result of any change of the tax residency of the Lessor during the Lease Term,

provided in each case that such Unindemnified Taxes under this Section 16(d) are not wholly or in part attributable to, arising out of or otherwise connected to any default, willful misconduct, recklessness or negligence on the part of Lessee or Lessee's breach of any of its representations, warranties or obligations in this GTA and Lease.

(e) Payments: All Taxes that Lessee is required to pay or for which Lessee is required to indemnify each Tax Indemnitee pursuant to Section 16(b) shall be paid by Lessee (to the extent permitted by applicable law) when due directly to the appropriate taxing authority. All amounts payable by Lessee to a Tax Indemnitee pursuant to Section 16(b) shall be paid within ten Business Days after receipt of such Tax Indemnitee's written demand therefor, which shall include a reasonable description of the Taxes that are the subject of such indemnity and the computation of the indemnity payment being demanded.

(f) Reports: Information: If it comes to Lessee's attention that the relevant Tax Indemnitee is required to file a tax report or other document with respect to any Tax which Lessee is required by Section 16(b) to pay or for which Lessee is required by Section 16(b) to indemnify such Tax Indemnitee, Lessee shall, in a timely manner, inform such Tax Indemnitee of such requirement, prepare such report or other document and send such report or other document to such Tax Indemnitee together with any amount required to be paid by such Tax Indemnitee to any taxing authority at the time of filing such report or other document. Lessee shall provide each Tax Indemnitee such information as such Tax Indemnitee may request in connection with the determination of the liability of Lessee or such Tax Indemnitee for any Tax.

(g) VAT and GST: For the avoidance of doubt, Rent, Transaction Fees and Use Fees and other amounts payable by Lessee pursuant to this GTA or any Lease do not include any value-added tax, GST or other Tax which may apply to such payments, and if any value-added tax or other Tax is payable in connection with any such payment, Lessee shall pay such Tax or indemnify the relevant Tax Indemnitee therefor in accordance with Section 16(b).

(h) Survival: The obligations and liabilities of Lessee under this Section 16 shall continue, notwithstanding the expiration or earlier termination of this GTA and each Lease, until all such obligations shall be fully performed and all such liabilities shall be paid in full.

(i) Certain Definitions: As used in this Section 16:

(i) "Tax" means any and all present and future taxes, duties, levies, assessments, imposts, withholdings, fees, deductions or other charge of all kinds (including without limitation, any value-added taxes, goods-and-services taxes, sales and services taxes, stamp duties, franchise, transfer, sales, gross receipts, use, business, excise, turnover, personal property or other taxes) and any amount treated or deemed as such whenever created or imposed and whether by the government of Australia or elsewhere and whether imposed by a local, municipal, governmental, state, federal, or other body or taxing authority and, will include, without limitation, all fines penalties, costs, charges, expenses, surcharges and interest payable in connection with thereto and "Taxes" means all of them collectively;

(ii) "Tax Indemnitee" means Lessor (both in its individual and trustee capacities), Beneficiary, Willis' affiliate, Lessor's Lender and each group of companies (and each member thereof) which includes Lessor or Beneficiary for which consolidation, combined, unitary or other group tax returns are filed; and

(iii) "GST" means any goods and services tax, value added tax, sales tax or turnover tax, or any charges of a similar nature which replaces the same or is levied in addition to it, including any "GST" as defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

(j) VAT, Imports, Customs and Other Duty Charges: Lessee acknowledges it is solely responsible for any VAT, GST, import, customs, duties, Taxes or any other fees or expenses relating to delivery and redelivery of an Engine.

17. Subleases; Assignment

17.1 Lessee may not assign this GTA or any Lease in whole or in part, sublease any Equipment or otherwise relinquish possession thereof to anyone other than Lessor for any purpose except with the prior written consent of Lessor; and any such attempted assignment or sublease will be null and void.

17.2 The parties acknowledge and agree that the Equipment may be installed on aircraft leased to or owned by Lessee, provided that, in any such case, Lessee has provided to Lessor an executed copy of the Recognition of Rights Agreement prior to such installation (or, in the case of an emergency installation, within five (5) Business Days after the Engine is installed on such aircraft) or has otherwise complied with Section 6(c)(iv) hereof.

17.3

(a) Lessor shall have the absolute right to transfer or assign to any person, firm, corporation or other entity any or all of Lessor's rights, obligations, benefits and interests under this GTA and Lease or in the Equipment, or the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the occurrence of an Event of Default, or do any and all other things which Lessor is or may become entitled to do under this GTA and Lease.

(b) Lessee hereby consents to any such transfer or assignment under this section and shall comply with any reasonable request of Lessor, its successors and assigns in respect of any such assignment, including without limitation, the execution of any documents which Lessor or any of its successors or assigns may require provided that:

(i) Lessor shall notify Lessee in writing of such transfer or assignment, specifying the name of the transferee or assignee and Lessee shall be provide with reasonable opportunity to review and consider the draft of any documents are expected to be executed by the Lessee, and/or any Sublessee in relation to such transfer or assignment; (ii) the transferee or assignee shall assume of all the Lessor's obligation under the GTA and the relevant Lease arising after the effective time of such transfer or assignment; (iii) Lessee not being in breach of any applicable law as a result of such transfer or assignment based the current law in effect at the time of such transfer or assignment; (iv) the transferee or assignee shall not be a competitor to Lessee Group; (v) Lessor shall reimburse the Lessee for any Increased Taxes, any reasonable out-of-pocket expenses (including any reasonably incurred and pre-agreed legal fees) incurred

by Lessee; (vi) such transfer or assignment shall not result in Lessee having any greater obligation or liability under this GTA, based on current laws in effect at the time of such transfer, than it would have had if such transfer had not been put in place, Lessee acknowledges that an increase in the number of Indemnitees (not including additional classes or types of indemnitees) with respect to indemnifications, insurances or reinsurances shall not, of itself, constitute an increase in Lessee's obligations hereunder; (vii) the transferee or assignee shall agree to compensate the Lessee (on behalf of the Head Company) for any Increased Obligations on receipt of the satisfactory evidence such Increased Obligations is directly caused by the transfer or assignment under this Section 17.3; (viii) the transferee or assignee shall have a net worth of no less than US\$10,000,000; (ix) the transferee or assignee shall provide a quiet enjoyment undertaking on terms consistent with the provisions of Section 27; (x) the transferee or assignee shall deliver to the Lessee warranties and representations on terms consistent as those in Section 12(g) of this GTA and provide such other information with respect to the tax residency of the transferee or assignee to the extent reasonably required by the Lessee upon which the Lessee can rely in order to determine whether any Australian withholding tax is payable in respect of payment to be made by the Lessee under any Lease; (xi) the Lessor shall pay to Lessee an one-off fixed fee of US\$50,000 in respect of an assignment and transfer under this Section 17.3, for the avoidance of doubt, the one-off fixed fee payable by Lessor under this Section 17.3 shall be inclusive of the fee payable by Lessor under Section 20.

(c) Certain Definitions: As used in this Section 17.3:

(i) "Increased Taxes" means any transfer taxes, stamp duties or Taxes of a similar nature (including those incurred by the head entity of the tax consolidated group of which the Lessee is a member under the applicable law of Australia, thereafter the "Head Company") incurred by Lessee, based on the current laws in effect at the time of such transfer or assignment, provided that such tax and/or tax liability (a) is directly caused by the assignment and transfer by Lessor under this Section 17.3, or (b) is not otherwise attributable to, arising out of or in connection with any non-compliance with any applicable law or regulation due to the willful breach, gross negligence and recklessness by Lessee or Head Company. Upon request by Lessor, Lessee shall provide a certificate containing the computation of such Increased Taxes and shall show, to the satisfaction of Lessor (acting reasonably), the nexus between the Increased Taxes and the transfer contemplated by Section 17.3. If any payment is made by Lessor under this Section 17.3 and Lessee or the Head Company has received a credit against, or relief or remission for, or repayment of or refund of, any Increased Taxes paid or payable by Lessor, the Lessee shall pay to Lessor such amount which will leave Lessee or Head Company (after that payment) in no worse position as it would have been in had the Increased Taxes not been required to be made by Lessor.

(ii) "Increased Obligations" means any obligations and liability described in subsection (vi) herein but exclude any obligation or liability which is attributable to, arising out of or in connection with any non-compliance with any applicable law or regulation due to the willful breach, gross negligence and recklessness by Lessee or Head Company.

17.4 The Lessee shall make all registrations necessary and/or prudent in accordance with the PPSA in respect of any such sublease within the timeframe required under the PPSA for such registrations to protect the Lessor's right, title and interest in and to the Engine. No pooling

agreement, sublease or other relinquishment of possession or operational control of the Engine shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder and the Lessee shall remain primarily liable hereunder for the performance of all of the terms of this GTA and the applicable Lease to the same extent as if such pooling agreement, sublease or other relinquishment of possession or operational control had not occurred (provided that the performance by the Sublessee of the terms hereof and thereof shall, to the extent of such performance, be regarded as performance by the Lessee of such terms).

18. Return of Equipment

The length of the individual Lease Term will determine which return conditions apply to a particular Engine.

18.1 Long Term Lease return conditions:

The following clauses (a), (b) and (c) will apply in the case of any Long Term Lease:

(a) Time remaining: At the time the Equipment is returned to Lessor, the time in hours and cycles since new or the last Full Engine Refurbishment Shop Visit (as defined below) or Performance Restoration Shop Visit, as applicable, shall not be more than the hours and, if applicable, cycles since new or the last such applicable Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit on the Engine at delivery. "Full Engine Refurbishment Shop Visit" means a full engine refurbishment workscope performed in accordance with the applicable Engine manufacturer's Workscope Planning Guide or Engine manufacturer's equivalent maintenance planning document. Compensation for any difference between the condition of the Equipment at delivery and redelivery is provided for in subsection 18.1(b) below. In addition, at the time the Engine is returned to Lessor, no life-limited component shall have less hours and cycles remaining than the hours and cycles remaining on the Engine to the next Full Engine Refurbishment Shop Visit. The correlation between the required hours and required cycles remaining will be determined by reference to Lessee's average operating hour to cycle ratio since delivery, or since the last Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, whichever is the later, for the specific Engine. Additionally, the Engine shall have sufficient EGT margin, based on Lessee's operational experience with the particular engine model, to enable the Engine to meet the preceding requirements. The calculation used to determine the hours, or cycles, remaining to the next Full Engine Refurbishment Shop Visit will be determined by the mean time between such Full Engine Refurbishment Shop Visits as explained in subsection 18.1 (b) below.

(b) Compensation: Upon return of the Equipment, Lessee shall make a payment to Lessor to compensate Lessor for any difference between the condition of the Equipment on the Delivery Date and the condition of the Equipment at the time of return. Any available engine heavy maintenance and, if applicable, life-limited parts Use Fees, paid to Lessor by Lessee related to an Engine, may be utilized towards such respective payments due on the return of that particular Engine; provided, that such payments shall not be utilized for the repair of damage caused by Lessee or for the repair of defects caused by foreign objects or by operational abuse or misuse including, but not limited to, incorrect or unauthorized settings or overspeed or component failure. With respect to the Engine, Lessee shall compensate Lessor if the number of hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such hours and, if applicable, cycles on the Engine

on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee's mean cost of Full Engine Refurbishment Shop Visits for like kind engines (taking into consideration engine usage and workscope) in Lessee's fleet at the time of return divided by Lessee's mean time between Full Engine Refurbishment Shop Visits for like kind engines in Lessee's fleet. In the event that Lessee has insufficient fleet shop visit data to determine the preceding, the per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be the shop visit cost estimated by an FAA FAR Part 145 or EASA Part 145 approved aircraft engine overhaul facility (acceptable to Lessor) for Full Engine Refurbishment Shop Visits of the Engine at the time of redelivery divided by the applicable Engine manufacturer's mean time between Full Engine Refurbishment Shop Visits (inclusive of Lessee's mean cost of all interim shop visit(s) scheduled for the Engine in accordance with Lessee's Approved Maintenance Program) for like kind engines with equal hour:cycle ratio and severity, as set forth above, but excluding costs for life-limited parts. In addition, Lessee shall compensate Lessor at the conclusion of the Lease Term for life used on life-limited parts during the Lease Term, as determined by the difference between the life-limited parts sheets for the Engine on the Delivery Date and the life-limited parts sheets for the Engine at the time of return. The amount of such compensation shall be calculated by reference to the applicable manufacturer's parts price catalogue and the manufacturer's published maximum life limits of the applicable life limited parts current at the time of redelivery.

(c) Inspection: Lessee will perform or cause to be performed on each Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full performance Test Cell Run ("Test Cell Run") performed by an FAA FAR Part 145 or EASA Part 145 approved repair station acceptable to Lessor and a full (compressor, combustion and turbine sections) video Borescope Inspection ("Borescope Inspection") to be accomplished after the applicable Test Cell Run. During the Test Cell Run complete systems functional checks and Engine, accessory and component leak checks will be accomplished and all discrepancies corrected as required by this GTA. The applicable Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document ("MPD") "C" Check and any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed. Additionally, throughout the Lease Term for each Engine, Lessee will monitor and record Engine performance and at redelivery Lessee will provide complete and legible Engine Condition Monitoring ("ECM"), or Engine Health Monitoring ("EHM") as applicable, data, to include both take off and cruise mechanical and performance parameters since new or the last Full Engine Refurbishment Shop Visit, or Performance Restoration Shop Visit, whichever is the later, and Engine removal for return of the Equipment. If review of the Engine's operating, maintenance and inspection history, technical documentation, ECM/EHM data, or the Test Cell Run, Borescope Inspection or Engine or QEC inspection, identifies a defect with respect to an Engine or the Engine condition is not consistent with the manufacturer's published unrestricted reinspection intervals, Lessee will immediately notify Lessor of the findings and repair the same at Lessee's sole expense. Lessee shall provide Lessor with a minimum of two (2) weeks advance notice of the intention to perform the Test Cell Run and Borescope Inspection and a minimum of seven (7) days advance notice prior to performing the Test Cell Run and Borescope Inspection, so that Lessor shall have time to have an agent present during such Engine tests and inspections. Lessee will also provide Lessor with a minimum of seven (7) days notice of the location of such Engine tests and inspections.

18.2 Short Term Lease return provisions:

The following clauses (a), (b) and (c) will apply in the case of any Short Term Lease:

(a) Intentionally deleted.

(b) Intentionally deleted.

(c) Inspection: Lessee will perform or cause to be performed on each Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full performance Test Cell Run performed by an FAA FAR Part 145 or EASA Part 145 approved repair station acceptable to Lessor and a full (compressor, combustion and turbine sections) video Borescope Inspection to be accomplished after the applicable Test Cell Run. During the Test Cell Run complete systems functional checks and Engine, accessory and component leak checks will be accomplished and all discrepancies corrected as required by this GTA. The applicable Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document ("MPD") "C" Check and any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed. Additionally, throughout the Lease Term for each Engine, Lessee will monitor and record Engine performance and at redelivery Lessee will provide complete and legible ECM/EHM data, to include both take off performance and cruise mechanical and performance parameters, covering the complete installation term of such Engine. If review of the Engine's operating, maintenance and inspection history, or ECM/EHM data throughout the applicable Lease Term, or the Test Cell Run or Borescope Inspection or Engine or QEC inspection identifies a defect with respect to an Engine, or the Engine condition is not consistent with the manufacturer's published unrestricted reinspection intervals, Lessee will immediately notify Lessor of the findings. Lessee shall be liable for repairs and/or correction of the condition that results in the reinspection intervals, as required by Section 6 of this GTA and related to or resulting from foreign object damage, Lessee's acts or omissions, misuse or abuse, including, but not limited to, incorrect or unauthorized settings or overspeed. For the avoidance of doubt, the Engine shall continue to remain on lease until the aforementioned repairs and/or corrections have been completed to Lessor's satisfaction. Lessee shall provide Lessor with two (2) weeks advance notice of the intention to perform the Test Cell Run, and Borescope Inspection and a minimum of seven (7) days advance notice prior to performing the Test Cell Run, and Borescope Inspection so that Lessor shall have time to have an agent present during such Engine tests and inspections. Lessee will also provide Lessor with a minimum of seven (7) days advance notice of the location of such Engine tests and inspections. In the event that an Engine is unserviceable due to a condition that Lessor is responsible to repair in accordance with this section, the requirement of 18.3(g) will be waived with respect to such condition.

18.3 Additional Short Term and Long Term Lease return provisions:

The following additional clauses (d) through (i) will apply in the case of any Short Term Lease and/or Long Term Lease:

(d) Notification: Lessee shall give Lessor and Beneficiary a minimum of two weeks advance written notice of its intention to return the Equipment.

(e) Maintenance: At the time the Equipment is returned to Lessor, the Equipment shall have all due maintenance completed in accordance with the Approved

Maintenance Program and shall be in serviceable condition and good repair as when delivered to Lessee, ordinary wear and tear excepted.

(f) Redelivery: Upon expiration of the Lease Term or other termination of a Lease, Lessee will return the leased Equipment free of all Liens other than Lessor's Liens to the delivery location described in the applicable Lease or to such a location in the continental U.S. nominated by Lessor or to such other location as the parties may mutually agree.

(g) Serviceable tag: In addition to any other requirements of this GTA, upon return of the Equipment to Lessor, the Lessee will have affixed to the Engine, pursuant to FAA/EASA requirements: 1) a completed FAA Form 8130-3 (marked approved for Return to Service in accordance with 14 CFR 43.9 and Release to Service in accordance with EASA Part 145.A.50), or EASA Form One (marked approved for Release to Service in accordance with EASA Part 145.A.50 and Return to Service in accordance with 14 CFR 43.9), and 2) if applicable, an FAA Form 337. All maintenance tasks related to the return of the Equipment (including, without limitation, Equipment testing, inspections, MPD tasks, preservation tasks, Equipment repairs, Airworthiness Directives accomplished, Service Bulletins accomplished, and any other associated tasks) are to be included on the serviceable tag.

(h) Shipment:

1. Prior to returning the Equipment to Lessor, Lessee will prepare each Engine for shipment by:

- a. capping and plugging all openings of the Engine;
- b. preserving the Engine for long-term preservation and storage for a minimum of 365 days in accordance with the applicable manufacturer's procedures for the Engine;
- c. completely sealing the Engine in a Moisture Vapour Proof (MVP) Bag if provided by Lessor or with heavy gauge vinyl plastic if Lessor does not provide MVP Bag; and
- d. otherwise preparing the Engine for shipment and, if applicable, the shipment of the Engine, in accordance with the manufacturer's specifications/recommendations.

2. Any trucks used for shipment of the Engine will be equipped with air ride or air cushion tractors and trailers.

(i) Holdover: In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, in each case payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

19. Events of Default; Remedies

(a) **Event of Default.** The occurrence of any of the following events with respect to any Lease shall constitute an "Event of Default" and material breach of this GTA and all Leases hereunder by Lessee (whether such events shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) If Lessee shall fail to make any payment due hereunder in the manner provided (a) in respect of sums which are to be paid on a scheduled basis, herein within three (3) Business Days after the date when such payment is due and (b) in respect of sums payable on demand or unscheduled payments, within three (3) Business Days after written demand has been given;

(ii) If Lessee shall fail to carry and maintain insurance on or in respect of any Engine in accordance with the provisions of Section 14 hereof or shall operate any Engine without such insurance being in full force and effect with regard to such operations;

(iii) If Lessee shall fail to observe or perform any of its other obligations hereunder or in any Lease and shall fail to cure the same within fourteen (14) days after written notice thereof from Lessor;

(iv) If any representation or warranty of Lessee herein or in any document or certificate furnished to Lessor in connection herewith shall be incorrect in any material respect and Lessee shall fail to cure the same within fourteen (14) days after written notice thereof from Lessor;

(v) If Lessee either temporarily (for a period exceeding 30 consecutive days) or permanently discontinues business or sells or otherwise disposes of all or substantial part of its assets or if Lessee voluntarily suspends (for a period exceeding 30 consecutive days) all or substantially all of its commercial airline operations or the franchises, concessions, permits, rights or privileges required for the conduct of the business and operations of Lessee are revoked, cancelled or otherwise terminated or the free and continued use and exercise thereof curtailed or prevented (for a period exceeding 30 consecutive days), and as a result thereof the preponderant business activity of Lessee ceases to be that of a commercial airline;

(vi) If Lessee shall (A) be insolvent, (B) be generally not paying its debts (trade or other) as they become due, (C) consent to the appointment of a receiver, controller or other officer with similar powers of itself or of any substantial part of its property, (D) suspend payment of its debts generally as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors or proceedings are commenced in relation to Lessee under any law, regulation or procedure relating to reconstruction or readjustment of debts, (E) begin negotiations with one or more of its creditors with a view to a general readjustment or general rescheduling of all its indebtedness (or a substantial part thereof) solely for the purposes of avoiding, or in the expectation of, insolvency or (F) take corporate action for the purpose of any of the foregoing;

(vii) If legislation has been or is being passed, if a court or governmental authority of competent jurisdiction shall enter an order appointing, without the consent of Lessee, a controller, custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of Lessee, or if any such petition shall be filed against Lessee and such petition shall not be dismissed within thirty (30) days;

(viii) If a final and non-appealable judgment for the payment of money in an aggregate amount exceeding the Threshold Amount (as stated under Schedule 1 of the Lease) shall be rendered against Lessee by any court or courts of competent jurisdiction and the same shall remain undischarged for a period of thirty (30) days during which execution of such judgment is not effectively stayed, set aside or satisfied or an attachment or attachments or other Lien or Liens is issued or entered against any of the property of Lessee, for an aggregate amount in excess of the Threshold Amount and that judgement or attachment or Lien remains undischarged or unbonded for thirty (30) days. Lessee undertakes to promptly notify Lessor if it or any subsidiary of the Lessee Parent enters into any leasing arrangements in respect of any aircraft or aircraft engines for which the monetary threshold for an event of default arising from the similar events as are provided for in this paragraph (viii) of Section 19(a), and such notice must specify that lower threshold amount (howsoever described in that leasing arrangement or documentations). Lessee agrees that the Threshold Amount shall be reduced to such lower amounts set out stated in the notice and the reduction of the Threshold Amount becomes effective automatically and without any further action from Lessor regardless of receipt or non-receipt of the notice from Lessee;

(ix) If Lessee installs the Engine on an aircraft, is in breach of the representations and warranties under Section 6(c)(v) and fails to provide Lessor within ten (10) Business Days of installation with a Recognition of Rights Agreement from the owner and mortgagee, if any, of the aircraft on which the Engine is to be installed recognizing the rights of Lessor and Lessor's Lender, if any, in the Engine to the exclusion of the owner and mortgagee of the aircraft, if any, and waiving the exercise of any rights by the aircraft owner and the mortgagee, if any, with respect to the Engine (or, in the case of an emergency installation, within ten (10) Business Days after the Engine is installed on such aircraft);

(x) If an "Event of Default" (as defined or howsoever described in a Related Lease) occurs under such Related Lease;

(xi) [Intentionally deleted];

(xii) Lessee or any other person claiming through or in trust for Lessee challenges the existence, validity, enforceability or priority of the rights of the Lessor as owner of the Equipment or rights of Lessor, Beneficiary, or any Lessor's Lender in and to the Equipment;

(xiii) Any governmental entity confiscates, seizes or appropriates all or material part of Lessee's assets and such seizure has or in Lessor's opinion is likely to have, a Material Adverse Effect or otherwise impair or negatively impact Lessee's ability to perform its obligations under this GTA and the Lease;

(xiv) Lessee sells, mortgages or encumbers (other than expressly permitted by this GTA or the applicable Lease) or executes any bill of sale affecting the Equipment or any part thereof (other than in accordance with or as contemplated by the terms of this GTA or the applicable Lease) or any other Liens (other than Lessor's Liens and Permitted Liens) therein or agrees or purports to do any of the same or similar effect;

(xv) Other than where such an event which constitutes (or would with passage of time constitute) a Casualty Event, the Equipment is lawfully arrested, confiscated, seized, taken in execution, impounded, forfeited, detained, or otherwise lawfully taken from the possession of Lessee or any permitted operator thereof by any persons other than Lessor or any Lessor's Lender in exercise or purported exercise of any Liens and Lessee has not within twenty (20) days thereof procured the release of the Equipment;

(xvi) Lessee fails to take delivery of the Equipment when such Equipment is tendered to the Lessee for delivery after Lessor has satisfied its obligation on terms set out in this GTA and applicable Lease; or

(xvii) An Event of Insolvency occurs in relation to the Lessee.

(xviii) a controller is appointed to Lessee or over an asset or assets of the Lessee claiming an aggregate amount in excess of the Threshold Amount.

Any event that with the giving of notice, the passage of time or both would become an Event of Default shall be considered a "Default" for all purposes hereof. The occurrence of an Event of Default under this GTA shall constitute a "default" for the purposes of the Cape Town Convention.

Event of Insolvency means:

(a) a controller, administrator or similar officer is appointed in respect of a person or entity or any asset of such person or entity;

(b) a liquidator or provisional liquidator is appointed in respect of a person or entity;

(c) any application (not withdrawn or dismissed within 14 days) is made to a court for an order, an order is made, a meeting is convened, any negotiations are commenced, or a resolution is passed for the purpose of:

(i) appointing a person referred to in paragraph (a) or (b) of this definition;

(ii) winding up or deregistering a person or entity;

(iii) proposing or implementing a scheme of arrangement, other than with prior written approval of the Lessor under a solvent scheme of arrangement pursuant to the applicable provisions of the Australian Corporation Act;

(d) any application (not withdrawn or dismissed within 14 days) is made to a court for an order, an order is made, a meeting is convened, any negotiations are commenced, or a resolution is passed for the purpose of implementing or agreeing:

(i) a moratorium in respect of any debts or indebtedness of a person or entity;

(ii) any other assignment, composition, restructuring or arrangement (formal or informal) with any creditors of a person or entity; or

(iii) any similar proceeding or arrangement by which the assets of a person or entity are subjected conditionally or unconditionally to the control of the trustees or creditors of that person or entity, or any agreement or other arrangement of type referred to in this paragraph (d) is ordered, declared or agreed to;

(e) as a result of the operation of section 495F(1) of the Australian Corporations Act, a person is taken or deemed to have failed to comply with a statutory demand (as defined in the Australian Corporations Act);

(f) any writ of execution, garnishee order, mareva injunction or similar order, attachment or other process is made, levied or issued against or in relation to any asset of a person;

(g) anything which is analogous or is otherwise substantively or effectively similar to anything referred to in paragraph (a) to (f) inclusive of this definition, occurs with respect to a person under any law; or

(h) a person or entity is, or admits in writing that it is, or is declared or deemed to be, or is taken or presumed under any applicable law to be (for any purpose), insolvent or unable to pay its debts.

(b) Upon the occurrence of any Default or Event of Default and at any time thereafter so long as the same shall be continuing Lessor may in its sole discretion elect to do one or more of the following with respect to any or all of the Equipment, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

(i) Lessor may do anything for Lessee's account that may reasonably be required to cure any Default or Event of Default and recover from Lessee all reasonable costs, including reasonable attorneys' fees, incurred in so doing, plus interest thereon, as calculated in Section 4(f);

(ii) Lessor may proceed by appropriate court action or actions to enforce performance by Lessee of this GTA and any Leases hereunder and/or to recover damages for the breach hereof and thereof;

(iii) Lessor may:

(A) By written notice, cancel Lessee's rights of possession and use under any and all Leases between Lessor and Lessee and/or any Related Lease;

(B) By written notice, terminate its obligations to lease any Equipment to the Lessee under this GTA;

(C) Demand that Lessee, and Lessee shall upon such demand, return any Equipment promptly to Lessor free of any claims or rights of Lessee in the manner and condition required by, and otherwise in accordance with, all the provisions of Section 18 as if such Equipment were being returned at the end of the Lease Term; or Lessor, at its option, may enter upon the premises where such Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise free of any claims or rights of Lessee, all without liability to Lessee for or by reason of such entry or taking of possession or removal, whether for the restoration of damage to property caused by such taking or otherwise, and Lessee shall be responsible for any costs associated with restoring such Equipment to the condition required by, and in accordance with all the provisions of, Section 18 as if such Equipment were being returned at the end of the Lease Term;

(D) Hold, keep idle, sell or lease any Equipment to others, as Lessor in its sole discretion may determine, free of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that the damages owed by Lessee in respect of the obligation to pay Rent for such Equipment or part thereof accruing after Lessee shall have been deprived of possession of such Equipment or part thereof pursuant to this Section 19 shall be reduced as provided in Section 19 (c) below if Lessor elects to sell or lease such Equipment to any person other than Lessee; or

(E) Exercise any other rights and remedies provided to Lessor under the Cape Town Convention and the PPSA;

(F) Apply any amounts received or recovered in respect of Lessee liabilities under this GTA, any Lease or any Related Lease to Rent, Use Fees, Default Interest or any other amount due hereunder or thereunder in such proportions, order and manner as Lessor, in its absolute discretion, deems fit.

(c) **Mitigation Credit Upon Lease or Sale.** Lessor will, in its commercially reasonable judgment, take such reasonable steps to mitigate its losses and may elect to sell or lease any Equipment after the occurrence of an Event of Default, the total proceeds of any such lease or sale shall be retained by Lessor to the exclusion of Lessee; provided, however, that the payments received by Lessor in respect thereof, to the extent such payments (in respect of a lease not in excess of Rent provided herein), are attributable to the unexpired portion of the Lease related to such Equipment (calculated from the date of such lease or sale to the

Expiration Date) shall be applied as a credit in mitigation of damages to the total amount due to Lessor under this GTA and such Lease as calculated in accordance with Section 19(d) hereof. For purposes hereof, the amount of such mitigation credit (the "Mitigation Credit") shall be calculated as:

(i) in the case of any lease, the lesser of (x) the Rent times the number of months remaining in the Lease, and (y) the rent actually received under such lease times the number of months remaining in the Lease, discounted to present value in each case at an interest rate of five percent (5%) per annum; or

(ii) in the case of any sale, the lesser of (p) the Rent times the number of months remaining in the Lease and (q) the fair market rental value of the Equipment, on an as is basis, for a period of time coinciding with the unexpired portion of the Lease relating to the Equipment, as determined by an aircraft appraiser selected by Lessor, discounted to present value in each case at an interest rate of five percent (5%) per annum.

(d) **Calculation of Damages.** Notwithstanding anything to the contrary, on the date on which Lessor shall become entitled to repossession of any Equipment (the "Damage Calculation Date"), all sums and all performances due under this GTA and each Lease hereunder shall immediately become due and payable and Lessee shall thereupon be obligated to pay to Lessor on written demand as damages for breach hereof an amount equal to the sum of: (1) all Rent, Use Fees and other amounts that became due and payable under each Lease, but were unpaid, as of the Damage Calculation Date; (2) all Rent under each Lease which would have accrued from the Damage Calculation Date through expiration of each respective Lease Term, discounted at the rate of five per cent (5%) per annum; and (3) such additional amount as shall be sufficient to place Lessor in the same economic position, on an after-tax basis, as Lessor would have been in if Lessee had timely performed each of its obligations under this GTA and each Lease less the Mitigation Credit received by Lessor in accordance with clause 19(c). In the event that Lessee fails to redeliver the Equipment to Lessor following expiration or cancellation of the applicable Lease Term for a period exceeding 120 days, in lieu of the amount specified in subclause (2) Lessee shall be obligated to pay Lessor an amount equaling the Agreed Value of the Equipment (for the avoidance of doubt, the obligation to pay the Agreed Value to Lessor under this Section, shall not be applicable if (i) no Event of Default has occurred and is continuing, (ii) Lessee has removed the Equipment from operational and revenue service, and (iii) Lessee is using all reasonable effort to return the Equipment in accordance with the applicable provision of this GTA and the applicable Lease). In addition, but without duplicating any element of damages specified above, Lessee shall be obligated to indemnify and reimburse Lessor upon demand for: (X) all costs and expenses reasonably incurred by Lessor as a result of Lessee's breach of this GTA or any Lease, including reasonable attorneys fees and costs of enforcement; and (Y) all reasonable expenses, disbursements, costs and fees incurred in (i) repossessing, storing, preserving, shipping, maintaining, repairing and refurbishing the Equipment to the condition required by Section 18 hereof and (ii) preparing the Equipment for sale or lease, advertising the sale or lease of the Equipment and selling or releasing the Equipment. All damage amounts shall bear interest from the Damage Calculation Date, in the case of the items specified in clauses (A), (B) and (C) above, or the date of demand, in the case of the items specified in clauses (X) and (Y) above, until paid at the rate of LIBOR plus 5% per annum.

(i) **Remedies Cumulative.** Each and every power and remedy hereby specifically given to Lessor shall be in addition to every other power and remedy

specifically so given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time individually or simultaneously and as often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any Default or any acquiescence therein.

(ii) **Lessor's Waiver Election.** Lessor may at its election waive any Event of Default and its consequences and rescind and annul any notice of cancellation of this GTA or any Lease by notice to Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no Event of Default had occurred and no such notice had been given. Notwithstanding the provisions of this Section 19, it is expressly understood and agreed by Lessee that no waiver, rescission or annulment shall extend to or affect any other or subsequent Default or impair any rights or remedies of Lessor consequent thereon and that time is of the essence with regard to Lessee's obligations under this GTA, any Leases hereunder or any Related Leases.

20. Lessor's Lender and Payment

(a) Lessee acknowledges that Lessor may assign by way of security each Lease to Lessor's Lender and may grant a first priority security interest in all Equipment to Lessor's Lender as security for a loan made by Lessor's Lender to Lessor. Lessee specifically agrees and consents to such assignment and granting of security interests and further agrees that Lessor's Lender shall be entitled to all the benefits of, but shall not be deemed to have assumed any of Lessor's obligations under, any Lease, provided that: (i) Lessor shall notify Lessee in writing of such assignment, specifying the name of the assignee and Lessee shall be provide with reasonable opportunity to review and consider the draft of any documents are expected to be executed by the Lessee, and/or any Sublessee in relation to such assignment; (ii) Lessee not being in breach of any applicable law as a result of such assignment based the current law in effect at the time of such assignment; (iii) Lessor's Lender provides an undertaking for quiet enjoyment in accordance with Section 27 of this GTA; (iv) Lessor shall reimburse the Lessee for any Increased Taxes (as defined in Section 17.3), any reasonable out-of-pocket expenses (including any reasonably incurred and pre-agreed legal fees) incurred by Lessee; (v) such assignment shall not result in Lessee having any greater obligation or liability under this GTA, based on current laws in effect at the time of such financing, than it would have had if such financing had not been put in place, Lessee acknowledges that an increase in the number of Indemnitees (not including additional classes or types of indemnitees) with respect to indemnifications, insurances or reinsurances shall not, of itself, constitute an increase in Lessee's obligations hereunder; (vi) the Lessor shall agree to compensate the Lessee (on behalf of the Head Company) for any Increased Obligations on receipt of the satisfactory evidence such Increased Obligations (as defined in Section 17.3) is directly caused by the assignment under this Section 20; and (vii) the Lessor shall pay to Lessee an one-off fixed fee of US\$10,000 in respect of an assignment under this Section 20 during the Lease Term.

(b) Lessee, until further advised by Lessor, shall remit all payments in respect of Rent, Use Fees and all other payments due under each Lease by wire to the payment account as set forth in the applicable Lease, without offset, deduction or abatement for any reason whatsoever.

(c) As and when requested by Lessor, Lessee shall execute and deliver to Lessor's Lender such documents as are usual and customary, including but not limited to an opinion of Lessee's counsel addressed to Lessor, Beneficiary, and Lessor's Lender as to the authority of Lessee to enter and perform each Lease and an Assignment of Lease and Lessee's Acknowledgment of and consent to Assignment of Lease in form and substance acceptable to Lessor's Lender, and will take whatever actions necessary to initiate, consent to and register such interests with the International Registry as required by Lessor or Lessor's Lender.

(d) Following receipt of notice from Lessor's Lender ("Relevant Notice") to Lessee that an "Event of Default," as defined in the mortgage and security agreement between Lessor and Lessor's Lender (the "Mortgage"), has occurred, Lessor's Lender shall be entitled to exercise all rights, remedies, powers and privileges of Lessor, as lessor, to the exclusion of Lessor, provided that (i) the rights of Lessor's Lender under the Mortgage shall be subject in all respects to the rights of the Lessee under this Lease and, so long as no Event of Default under the Lease shall have occurred, Lessor's Lender will not interfere with the Lessee's quiet and peaceful possession, use and enjoyment of the Engine leased under this GTA and the applicable Lease and (ii) Lessor's Lender acknowledges that if the tax residency of the Lessor's Lender is different from that of the Lessor, the Lessee may, in good faith and in compliance with the relevant tax legislation, judicial decision or Australian Taxation Office Public Ruling to the extent such law or regulation applies to the Lessor's Lender, (each a "Tax Law") as in force at the date on which Relevant Notice has been issued, withhold an amount of tax ("Withholding Tax") from the relevant payment (with no obligation to pay an additional or increased amount to any Tax Indemnitee in relation to the withheld amount) at the maximum rate which may be applied under such Tax Law, unless and until Lessor's Lender provides to the Lessee such information as the Lessee shall reasonably require, and upon which the Lessee and Head Company can rely, in order for the Lessee to determine whether any Withholding Tax is applicable and if so whether a lower rate applies to such payment provided that Lessee shall return to Lessor's Lender all such amount withheld under this subsection within one (1) Business Day upon final determination of the rates applicable such payment or receipt of evidence that Lessee is not in a worse position under the applicable Tax Laws, than it would have had if such Relevant Notice had not been issued by Lessor's Lender.

(e) The Lessor hereby confirms that Lessee's respective obligations to the Lessor shall be discharged to the extent that the Lessee performs such obligations for the benefit of the Lessor's Lender after receipt of a Relevant Notice. For the avoidance of doubt, Lessee shall not be required to verify whether such Relevant Notice has been validly or duly issued in accordance with the Mortgage or any other documents in connection therewith and may rely on any notices and other communications purported given by the Lessor's Lender without having to make any further enquiries.

(f) Lessor hereby warrants, acknowledges and agrees that the Lessee shall not be liable to the Lessor or any third party for any act, deed, matter or thing done by the Lessee in pursuance of a Relevant Notice in accordance with this GTA.

21. Notices

Any notice required or permitted in connection with this GTA or any Lease will be in writing or by email, in English and sent prepaid. Notices will be delivered by hand-delivery, email, letter (mailed airmail, certified and return receipt requested), or internationally recognized

courier, and in each case addressed to the parties as set forth below, or to such other address as either party notifies the other party:

Lessor: Wells Fargo Trust Company, National Association,
as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
MAC: U1228-051
Attn: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com
Telephone No.: +1 801-246-6000

With a copy to
Beneficiary: [See applicable Lease.]

Lessee: 56 Edmondstone Road,
Bowen Hill,
Brisbane,
Queensland 4006
Australia

Attn: Group Treasurer
Telephone No.: +61 (0)2 8985 7516

Email: Steven.Fouracre@virginaustralia.com

Copy to

Email: treasury.operations@virginaustralia.com

In the case of a mailed letter, notice will be deemed received on the fifth (5th) day after mailing. In the case of a notice sent by courier, notice will be deemed received on the date of delivery set forth in the records of the courier which accomplished the delivery. If any notice is sent by more than one of the above listed methods, notice will be deemed received on the earliest possible date in accordance with the above provisions.

22. Recording

Lessor intends to record this GTA and all Leases with the Department of Transportation, Federal Aviation Administration, FAA Registry, Oklahoma City, Oklahoma, the appropriate authorities in Australia, the International Registry (as defined below), or such other similar authority in each jurisdiction applicable to this GTA and any Lease, the costs of which shall be borne by Lessee. Upon the termination of this GTA or any Lease for any reason whatsoever, each of the parties will execute and deliver to the other party promptly such documents and discharges as the other party may reasonably request in order to file a termination of this GTA or any Lease with the FAA or other authority and evidence of the discharge of the Lease with the International Registry. Lessee hereby appoints Lessor as its attorney-in-fact for the sole

purposes and facilitation of procuring the lodgment, filing and registration of all such terminations and discharges.

For purposes of this GTA:

“Cape Town Convention” shall mean the Convention on International Interests in Mobile Equipment (the “Convention”) and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the “Protocol”), both signed in Cape Town, South Africa on November 16, 2001, together with any protocols, regulations, procedures, rules, orders, agreements, instruments, amendments, supplements, revisions or otherwise that have or will be subsequently made in connection with the Convention and/or the Protocol by the “Supervisory Authority” (as defined in the Protocol), the “International Registry” or the “Registrar” (as defined in the Convention) or an appropriate “registry authority” (as defined in the Protocol) or any other international or national body or authority.

23. Brokers/Finders

Lessor and Lessee each represents to the other that there are and will be no third parties involved as brokers or finders with respect to this GTA or any Leases entered into for any Equipment, and each party agrees to indemnify and hold harmless the other from liability for fees, commissions or other claims of any intermediary arising as a result of actions of the indemnifying party.

24. Miscellaneous

(a) This GTA and each Lease entered into hereunder contain the entire understanding of the parties with respect to the leasing of Equipment and no warranties, representations or undertakings have been made by either party except as expressly set forth in this GTA and the respective Lease(s) entered into hereunder.

(b) This GTA has been negotiated between the parties, each party having had the benefit of legal counsel. The construction or interpretation of any clause or provision of this GTA or any Lease will not be construed or resolved against Lessor solely because Lessor drafted any such clause or provision or otherwise prepared or caused the GTA or Lease documents to be drafted.

(c) This GTA and any Lease may not be amended, changed, waived or terminated in whole or in part orally, but only by an express instrument in writing signed by the party against which the enforcement of the change, waiver or termination is sought.

(d) This GTA will be binding upon and inure to the benefit of the respective permitted successors and assigns of the parties.

(e) Each of Lessor and Lessee expressly agree that they confer on and intend Beneficiary and/or Lessor’s Lender to have the benefit of this GTA and any Lease and to be entitled to enforce any and all of the provisions of this GTA and/or any Lease and, accordingly, Beneficiary and/or, after the delivery of a Relevant Notice, Lessor’s Lender shall be entitled to enforce any of the provisions of this GTA and any Lease.

(f) This GTA may be executed in counterparts. Such counterpart documents, when taken together, will constitute one and the same instrument. Each Lease shall be

executed in at least three (3) serially numbered counterparts, only counterpart 1 of which shall be deemed chattel paper for financing purposes and shall be so marked.

(g) This GTA and each Lease (including the Exhibits and Schedules hereto and thereto) are and shall be written and executed in the English language. The English language version of this GTA and Lease shall control as to all matters of interpretation and construction, notwithstanding translation of this document into any other language.

(h) For purposes of this GTA and each Lease, the term “day” or “Day” shall mean the 24-hour period commencing at 00:00 in San Francisco, California, U.S.A., and the term “Business Day” or “business day” shall mean a Day on which banks are not required or authorized to close in San Francisco, California, or in Queensland, Australia.

(i) Time and strict and punctual performance are of the essence with respect to each provision of this GTA and each Lease.

25. Applicable Law

This GTA and all Leases and any non-contractual obligations arising out of the Lease are governed by and shall be construed in accordance with English law without regard to any conflict of laws or rules which might result in the application of the law of another jurisdiction.

26. Jurisdiction and Venue

(a) The parties (i) agree that the courts located in England shall have non-exclusive jurisdiction to hear any suit, action or proceeding arising out of or in connection with this GTA or any Lease, including any claims brought under the Cape Town Convention, and consent and submit to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding and (ii) Lessee hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this GTA or any Lease or the subject matter of any thereof or any of the transactions contemplated hereby or thereby may not be enforced in or by such courts.

(b) The Lessee hereby irrevocably appoints Virgin Management Limited (at its registered office from time to time) to receive on its behalf service of process issued out of the English courts in any legal action or proceeding arising out of or in connection with this GTA or any Lease. The Lessee undertakes not to revoke the authority of its agent specified above and if, for any reason, any such agent no longer serves or is not capable of serving as agent of the Lessee, it shall promptly appoint another such agent and advise the Lessor thereof. Failing such appointment by the relevant party within five (5) days, the Lessor shall be entitled (and is hereby authorised) to appoint an agent on its behalf. Nothing herein contained shall restrict the right to serve process in any other manner allowed by law.

(c) The Lessor hereby irrevocably appoints Willis Lease Finance Corporation, located at Ground Floor, 1 Babmaes Street, London SW1Y 6HD, England, (at its registered office from time to time) to receive on its behalf service of process issued out of the English courts in any legal action or proceeding arising out of or in connection with this GTA or any Lease. The Lessor undertakes not to revoke the authority of its agent specified above and if, for any reason, any such agent no longer serves or is not capable of serving as agent of the

Lessor, the Lessor shall promptly appoint another such agent and advise the Lessee thereof. Failing such appointment by the Lessor within five (5) days, the Lessee shall be entitled (and is hereby authorised) to appoint an agent on its behalf. Nothing herein contained shall restrict the right to serve process in any other manner allowed by law.

(d) To the extent that the Lessee may now or hereafter be entitled, in any jurisdiction, to claim for itself or its property, immunity from suit, legal action or other proceeding, for the jurisdiction of any court, from service of legal process judgment or otherwise) or other legal process or order and, to the extent that in any such jurisdiction there may now or hereafter be attributed to itself or its property any such immunity (whether or not claimed), the Lessee hereby irrevocably and unconditionally waives such immunity to the fullest extent permitted by applicable law of such jurisdiction. Without in any way limiting the effect of the foregoing waiver, the Lessee acknowledges that its waiver of immunity from jurisdiction, attachment and execution as aforesaid is intended to satisfy the requirement therefor of the Foreign Sovereign Immunities Act of 1976 of the United States of America and equivalent legislation in Australia.

27. Quiet Enjoyment

So long as no Event of Default hereunder or under any Lease shall have occurred and be continuing, Lessee shall have the peaceful and quiet enjoyment of all Equipment free from all claims or interference of Lessor or anyone lawfully claiming by, through or under Lessor.

28. Financial Statements

During the Lease Term, Lessee shall furnish, to the extent not publicly available, Lessor with Lessee Parent's audited annual financial statements within ninety (90) days after the close of Lessee's fiscal year, in English in accordance with generally accepted accounting principles and practices in Australia. Such financial statements shall include balance sheets and profit and loss statements.

29. Joinder

Each of the parties hereby agrees that from time to time Wells Fargo Trust Company, National Association, as owner trustee (not in its individual capacity but solely as owner trustee for the benefit of Beneficiary under one or more trust agreements established to hold Engines that are to be leased to Lessee pursuant to a Lease) (in such capacity, an "Additional Owner Trustee") may join in and become a party to this GTA. The joinder of an Additional Owner Trustee to this GTA shall be evidenced by the inclusion of a joinder agreement in the applicable Lease, by which such Additional Owner Trustee consents to and agrees to be bound by the terms of this GTA. In the event of such a joinder, references to "Lessor" in this GTA, as incorporated in the applicable Lease, shall be deemed references to such Additional Owner Trustee.

30. Further Export Assistance; Export Controls

At the request of Lessor or Lessor's Lender, Lessee shall provide such assistance as is reasonably requested by Lessor or Lessor's Lender to allow the Equipment to be exported from Australia, including without limitation, preparing and filing any certificates and other documentation, upon and after the expiration or earlier termination or cancellation of the Lease. In addition, Lessee agrees that it will not export or divert (unless in an emergency situation) the

Equipment under any Lease contrary to or in violation of United States of America export control and/or economic sanctions laws.

31. Further Assurances

Each party agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other instruments (including, if applicable, an Irrevocable De-Registration and Export Request Authorization, if applicable, as defined in the Cape Town Convention) as may be required by law consistent with best aviation industry practice where Lessee conducts its principal commercial aviation business activities or reasonably requested by the other party to establish, maintain or protect the rights and remedies of the requesting party or to carry out and effect the intent and purpose of this GTA. In addition to the foregoing, and notwithstanding any other provisions herein regarding the Cape Town Convention the Lessee shall, at its own cost, do all such acts and things, and provide, execute and deliver any documents, requested by the Lessor which are necessary or advisable in order to register or reaffirm registration of any interest under this GTA or any Lease or any interest in the Engine or any part thereof permitted by the Cape Town Convention, or to protect and perfect the Lessor's interest in the Engine and this GTA in Australia or in any other jurisdictions in or over which the Lessee may operate the Engine, if any (including, but not limited to, amending this GTA or any Lease, as may be necessary, to comply with the Cape Town Convention). The Lessee shall enable the Lessor to evidence that any security interest of the Engine is perfected for the purposes of the PPSA.

32. Trustee Capacity

It is understood and agreed that the Lessor is entering into this GTA solely in its capacity as owner trustee under a separate trust agreement for the benefit of the Beneficiary with respect to each Engine (an "Engine Trust") and that Lessor shall not be liable or accountable in its individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets held in the trust estate under the respective Engine Trust.

33. Personal Property Securities Act

(a) If this GTA or any Lease (or a sublease or transaction in connection with it) is or contains a "security interest" for the purposes of the PPSA and the PPSA applies to that security interest (in the Lessor's reasonable opinion), the Lessee agrees to do (or shall procure that any sub-lessee shall do) anything (such as obtaining consents, signing and producing documents, getting documents completed and signed and supplying information) within its reasonable control which the Lessor (acting reasonably) asks and considers necessary for the purposes of:

- (1) ensuring that the security interest is enforceable, perfected and otherwise effective; or
- (2) enabling the Lessor to apply for any registration, complete any financing statement or give any notification, in connection with the security interest; or
- (3) enabling the Lessor to exercise rights in connection with the security interest.

(b) The Lessee agrees to cause any financing statements required of it pursuant to Section 33(a) to be registered at such times and in such manner as reasonably directed by the Lessor.

(c) Except as expressly provided otherwise, everything the Lessor, or Lessor's Lender (as applicable) or Lessee is required to do under this Section 33 is at the Lessee's expense and the Lessee agrees to pay or reimburse the reasonable costs of the Lessor in connection with anything that is required to be done under this Section 33.

(d) The Lessor need not give any notice under the PPSA (including a notice of verification statement) unless the notice is required by the PPSA and the requirement to give it cannot be excluded or has not been excluded by this Section 33.

(e) [Intentionally deleted].

(f) The Lessor and the Lessee agree that sections 142 and 143 of the PPSA are excluded and, for the purposes of section 115(1) and 115(7) of the PPSA, the Lessor and the Lessor's Lender need not comply with the following provisions of the PPSA to the extent that the PPSA permits the parties to contract out of such provisions:

- (1) section 95 to the extent that it requires the Lessor as secured party to give a notice to the Lessee as grantor;
- (2) section 96;
- (3) section 118;
- (4) section 120;
- (5) section 121(4);
- (6) section 125;
- (7) section 130, to the extent that it requires the Lessor as secured party to give a notice to the Lessee as grantor;
- (8) section 132(3)(d);
- (9) section 132(4);
- (10) section 134(1); and
- (11) section 135.

IN WITNESS WHEREOF, the parties have executed this General Terms Engine Lease Agreement as of the day and year first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: _____
Name: J. Brent Allen
Title: Vice President

VB LEASECO PTY LTD

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated

in the presence of:

Signature of witness

Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney

IN WITNESS WHEREOF, the parties have executed this General Terms Engine Lease Agreement as of the day and year first above written.


**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: _____
Name: _____
Title: _____

VB LEASECO PTY LTD

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019


in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

SPECIMEN ONLY

**Exhibit A
to General Terms Engine Lease Agreement**

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UCC, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

AIRCRAFT ENGINE LEASE AGREEMENT

This Aircraft Engine Lease Agreement ("Lease") is made and entered into as of _____, 20____ by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of _____ ("Beneficiary") and VB LeaseCo Pty Ltd, an Australian corporation ("Lessee").

WITNESSETH:

ARTICLE I Agreement to Lease:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease is entered into pursuant to, and by this reference incorporates all the terms and conditions of, the General Terms Engine Lease Agreement dated as of _____, 2018 (the "GTA") between Lessor and Lessee. Capitalized terms used but not defined herein shall have the respective meanings given such terms in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall control.

ARTICLE II Lease Term:

The term of this Lease will be _____ months, commencing _____, 20____ (the "Delivery Date") and ending _____, 20____ (the "Expiration Date" and the period from the Delivery Date to Expiration Date, both dates inclusive, "Lease Term").

ARTICLE III Delivery/Redelivery Locations:

The Equipment will be delivered to Lessee EXW _____, and upon termination of the Lease, the Equipment will be redelivered to Lessor DDP _____. To coordinate return of the Engine and its Engine records, Lessee should contact the Contract Administration Department of Willis Lease Finance Corporation, as Servicer at +1 415-408-4700.

ARTICLE IV Equipment:

Engine Make	Engine Model	Engine Serial No.	As of _____, 20____	Total Time Since New	Total Cycles Since New	Engine Stand Serial No.
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Equipment includes, together with the Engine and Engine Stand listed above, (i) a QEC unit including the components set forth in Appendix A hereto (excluding *[insert itemized excluded parts per LOI, e.g., Major Vendor Items, Exhaust System, Nose Cowl, etc.]*, and other parts so identified in Appendix A hereto), (ii) all Engine parts and attachments, and (iii) all Engine records, including a copy of the life-limited parts profile attached as Appendix B hereto, in the possession of Lessor requested by Lessee and all Engine records generated by Lessee during the Lease Term. Failure by Lessee to return any item of Equipment to Lessor, or failure to return any item of Equipment in accordance with the requirements of the Lease, upon termination of the Lease shall result in Lessor purchasing such item(s) on behalf of Lessee at up to full list price and invoicing Lessee for such cost plus a handling fee equal to 15% of such cost, which fee is capped at \$5,000.00 per item. Lessee shall pay such invoice within 30 days of receipt.

The Engine described above is rated in excess of 550 horsepower. The Engine described above has _____ pounds of thrust and is only to be operated by [Lessee/Sublessee] at such thrust unless this Lease expressly permits [Lessee/Sublessee] to operate the Engine at different thrust(s) or Lessee has received Lessor's prior written consent to operate the Engine at a different thrust. Lessee will report the thrust at which the Engine is operating in its monthly utilization reports to Lessor.

ARTICLE V Agreed Value of Equipment: (See Schedule 1)

ARTICLE VI Lease Payments: (See Schedule 1)

ARTICLE VII Payments Due on Delivery: (See Schedule 1)

ARTICLE VIII Maintenance Costs:

Lessee to be responsible for equipment maintenance and repair costs in accordance with the GTA and this Lease.

[Lessor and Lessee agree that this Lease is considered a Short Term Lease and as a result Lessee shall have no interest in or rights with respect to Use Fees which shall be the property of Lessor free and clear of any interest of Lessee.]

ARTICLE IX Security Deposit: (See Schedule 1)

As a condition to delivery of the Equipment, Lessee shall pay to Lessor on the Delivery Date and shall maintain at all times during the Lease Term, as security for this Lease, an security deposit (the "Security Deposit") in the amount set forth in Schedule 1. Lessee shall not be entitled to any interest on the Security Deposit. Provided no Event of Default shall have occurred and be continuing, Lessor shall return the Security Deposit to Lessee upon the return of the Equipment to Lessor in the condition required by, and otherwise in accordance with all the return provisions of this Lease. Lessor shall not be required to apply the Security Deposit to cure any Event of Default under this Lease. Lessor must return the balance of any Security Deposit after deduction of costs, expenses, and damages due and payable by Lessee in accordance with the Lease Agreement.

ARTICLE X Beneficiary:

Beneficiary shall mean _____. Beneficiary's Notice address is:

ARTICLE XI Lessor's Lender:

Lessor's Lender shall mean _____, or any other party designated in writing by Lessor. Lessor's Lender's address is:

ARTICLE XII Payment Account:

Bank: _____
ABA No.: _____
Swift Code: _____
Acct. No.: _____
Acct. Name: _____

or such other account as designated by Lessor in writing.

ARTICLE XIII Return of Equipment:

Lessee to be responsible for Equipment return in accordance with Section 18 of the GTA and this Lease.

ARTICLE XIV Subleases:

(g) Notwithstanding anything to the contrary in Section 17 of the GTA and so long as no Event of Default has occurred and is continuing, Lessee may sublease to the party listed on Schedule 1 ("Sublessee") and to such other sublessees as have been approved by Lessor in writing ("Permitted Sublessees") provided that (i) Lessee remains fully responsible to Lessor under the terms of the GTA, this Lease, (ii) the sublease is made expressly subordinate to the terms of the GTA and this Lease and the term of the Permitted Sublease shall not extend beyond the terms of the Lease, (iii) at the sole option of Lessor or Lessor's Lender, Lessee registers such sublease as an international interest with the International Registry created by the Cape Town Convention and causes the sublessee to register as a user of the International Registry system in order to effect registration of the sublease, and Lessee consents to any assignment of the sublease and assists in registering such assignment with the International Registry, (iv) Lessee will procure that any and all sub-lessees comply with all the covenants, undertakings and representations of Lessee to Lessor and (v) Lessor has received (a) a copy of Sublessee's approved maintenance program which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine, (b) an executed copy of the Permitted Sublease between Lessee and Sublessee, (c) an executed sublease assignment and related sublessee consent in form and substance reasonably satisfactory to Lessor in respect of the Permitted Sublease; (d) an executed sublessee subordination acknowledgement in form and substance reasonably satisfactory to Lessor from the Permitted Sublessee and Lessee; and (e) an executed power of attorney from Sublessee in form and substance satisfactory to Lessor and Lessor's Lender.

(h) Performance by Sublessee of the covenants set forth herein, whether expressed as obligations of Lessee or Sublessee, shall be deemed to satisfy the obligations of Lessee hereunder to the extent of the performance.

ARTICLE XV Additional Insureds and Loss Payee/Contract Party:

ARTICLE XVI Trustee Capacity

It is understood and agreed that the Lessor is entering into this Lease solely in its capacity as owner trustee under a trust agreement and that Lessor shall not be liable or accountable in its

individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets of the trust estate (as defined in such trust agreement).

ARTICLE XVII Joinder: (This language is not needed in the first lease under this GTA, only in subsequent leases under this GTA.)

Lessor and Lessee acknowledge that Lessor is an “Additional Owner Trustee”, as contemplated by Section 29 of the GTA. Lessor hereby is made a party to the GTA and shall be deemed a “Lessor” for all purposes thereof as incorporated herein, and Lessor hereby agrees to be bound by the terms of the GTA as incorporated herein.

ARTICLE XVIII Additional Representation: As of the date of execution of this Lease, the Lessee was situated in a contracting state as defined in the Cape Town Convention.

Article XIX Survival: The representation, warranties, indemnities and any other agreement or obligations intended to survive the Lease Term shall survive the expiration, termination or cancellation of this Lease.

ARTICLE XX [Intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: _____
Name: _____
Title: _____

VB LEASECO PTY LTD

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated

in the presence of:

Signature of witness

Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney

Schedule 1
to Aircraft Engine Lease Agreement

ARTICLE V **Agreed Value of Equipment:** US\$_____.

ARTICLE VI **Lease Payments:**

Rent:

Monthly Rent: _____

US\$_____ per month when Engine is operated as CFM56-7B24 or lower

US\$_____ per month when Engine is operated as CFM56-7B26

Pro Rata Rent: _____

If the Delivery Date is other than the first day of a calendar month, Lessee will pay to Lessor, in arrears on the first day of the next succeeding calendar month, a pro rata Rent payment equal to the monthly Rent divided by 30 multiplied by the actual number of days from the Delivery Date to the first day of the next succeeding calendar month.

Use Fees:

Hour to Cycle Ratio* _____ to _____	For engine heavy maintenance but excluding life-limited parts: US\$_____ per hour	For life-limited parts: US\$_____ per cycle
--	--	--

*If the hour:cycle ratio decreases or increases, the flight hour charge will be increased or decreased proportionally.

Use Fees are based on the assumption of an operating environment of [average, high] severity and [____%] proven derate. On January 1, 20___ and each January 1st thereafter, Use Fees will be adjusted based on actual operating environment, severity, proven derate level, and hour:cycle ratio, and will be escalated by the percentage of the OEM's non-LLP part price (for flight hours) and OEM's LLP part price (for flight cycles) for such year.

NOTE: In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

ARTICLE VII **Payments Due on Delivery:**

Security Deposit:	US\$
Advance Rent:	US\$
Transaction Fee:	US\$
Advance Use Fee:	US\$
Total Payment:	US\$ _____

ARTICLE IX Security Deposit:

Security Deposit: US\$ _____

ARTICLE XIV Subleases:

Sublessee: Any member of the Virgin Australia Group (being Virgin Australia Holdings Limited, Virgin Australia International Holdings Pty Ltd and each of their wholly owned subsidiary), or any other airlines that Lessor may approve in writing from time to time, provided that such entities have satisfactory completed Lessor's KYC process.

SPECIMEN ONLY

**Exhibit B
to General Terms Engine Lease Agreement**

EQUIPMENT DELIVERY RECEIPT

FROM: _____

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee

The undersigned hereby acknowledges that on _____, 20____, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of _____, delivered to _____ ("Lessee") that certain _____ model number _____ aircraft engine, manufacturer's serial number _____ (the "Engine"), and Engine Stand, serial number _____ (the "Engine Stand"), QEC unit consisting of all the components set forth in Appendix A to the Lease, and all Engine records in Lessor's possession requested by Lessee, including a copy of the life-limited parts profile attached as Appendix B to the Lease, at _____. The undersigned further acknowledges receipt and acceptance of the Engine, Engine Stand, QEC unit and all such records and compliance thereof with all the terms and conditions of that certain Aircraft Engine Lease Agreement dated as of _____, 20____ between Lessee and Lessor.

Dated _____, 20_____.

By: _____
Name: _____
Title: _____

SPECIMEN ONLY

**Exhibit C
to General Terms Engine Lease Agreement**

**AIRCRAFT OWNER/MORTGAGEE ACKNOWLEDGMENT
RECOGNITION OF RIGHTS AGREEMENT**

Date:

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee,
299 S. Main Street, 5th Floor, MAC: u1228-051, Salt Lake City, Utah, 84111, U.S.A.

Re: _____ (Lessee)
[_____] Aircraft with Manufacturer's Serial Number _____ and registration mark
_____ (the "Aircraft")

Dear Sir or Madam:

We understand that you have leased one (1) _____, Aircraft Engine Manufacturer's
Serial Number _____ (the "Engine") to Lessee and that it is proposed that the Engine may
be installed on the Aircraft.

We are the [(unencumbered) owner of] [hold a mortgage over] [*specify nature of the interest*] the
Aircraft and have leased the Aircraft to Lessee and/or hold a security interest in the Aircraft.

We hereby agree that we will recognize your rights and interests in, and the rights and interests
of any holder of a security interest in, the Engine and we will not claim as against you or any
such holder, any right, title or interest in the Engine as a result of its being installed on the
Aircraft.

[NAME OF OWNER OR PERSON HAVING A SECURITY INTEREST IN AIRCRAFT]

By: _____
Its: _____

SPECIMEN ONLY

**Exhibit D
to General Terms Engine Lease Agreement
Monthly Engine Utilization and Status Report**

Utilization Data is DUE on the 10TH Calendar Day of Each Month

To: Willis Lease Finance Corp., as Servicer Attention: utilization@willislease.com	From: _____ Company Name: _____ Customer Fax#: _____ Customer e-Mail: _____ Month/Year: ____ / ____
---	--

1. Engine Model: _____	2. Serial Number: _____
3. Total TIME Since New: Hours: _____ Minutes: _____ Total CYCLES Since New: _____	
4. Proven Derate Percentage: _____ Attach supporting documents.	
5. HOURS Flown During Month: Hours: _____ Minutes: _____	
6. CYCLES Flown During Month: Total Cycles: _____ Current Thrust Rating: _____	
7. Aircraft: A/C Model: _____ Registration: _____ Position: _____	8. Thrust Categories Operated Throughout Lease: Rating: _____ Cycles: _____ Rating: _____ Cycles: _____ Rating: _____ Cycles: _____
9. Date Installed: _____ Or Date Removed: _____	10. Reason for Removal:
10. Location of Engine (Country):	Please enter amount of Use Fees Paid this Month: \$

SPECIMEN ONLY

**Exhibit E
to General Terms Engine Lease Agreement**

To be printed on Operator's letterhead

ENGINE CERTIFICATION

This statement certifies that Engine _____ s/n _____, has not been involved in an incident or accident, major failure, or fire, nor has the Engine or the parts installed thereon, been immersed in salt water or exposed to corrosive agents outside normal operation, been subjected to extreme stress or heat nor been obtained from any Government, Military or Unapproved Source while Leased and/or Operated by _____, and in the case of a part installed on the Engine while Leased and/or Operated by _____, has not been subjected to, or removed from an engine that has been involved in an incident or accident, major failure, or fire, or been subjected to extreme stress or heat nor been obtained from any Government, Military or Unapproved Source.

Engine status at time of Delivery to _____:

Engine Total Time: _____ Engine Total Cycles: _____ Date: _____

Engine status at time of Redelivery to _____:

Engine Total Time: _____ Engine Total Cycles: _____ Date: _____

Signature:

Name:

Title:

Date:

Exhibit F
to General Terms Engine Lease Agreement
Redelivery Documentation

- a. Current FAA Form 8130-3 Airworthiness Approval Tag with Dual EASA release or Current EASA Form 1 Airworthiness Approval Tag with Dual FAA release.
- b. Current LLP Status to include LLP cycles usage and LLP cycles remaining by each thrust category.
- c. Current Airworthiness Directive (AD) status and any AD compliance throughout the Lease Term, to include Airframe ADs associated with the Engine and QEC installed parts.
- d. List of SB/ASB/AOW complied with during the Lease Term.
- e. Copy of logbook (if applicable).
- f. Logs of Engine Flight Hours and Engine Flight Cycles operated during the Lease Term.
- g. All relevant defect or pilot reports/occurrences during the Lease Term.
- h. Documentation for all inspections performed in accordance with the operators approved maintenance program throughout the Lease Term. (Include Engine Mount inspection status).
- i. Documentation for all scheduled and unscheduled maintenance performed throughout the Lease Term. (Include Gas path wash, results of any On-wing tests performed, Fan Blade Lube status and Blade Map, and if applicable to engine model the current Tap Test and any Test results.)
- j. ECM data (Take Off and Cruise) to include both mechanical and performance parameters for all operation of the Engine throughout the Lease Term.
- k. A document showing the average derated Take Offs recorded for the Engine throughout the Lease Term.
- l. Airworthiness Release Forms and applicable trace for components and accessories replaced during the Lease Term.
- m. Complete Accessory and QEC/EBU component inventory.
- n. Oil consumption throughout the Lease Term.
- o. List of carry forward / Deferred maintenance items.
- p. Engine preservation documentation to include a) the date and term of preservation, b) the preservation of the fuel and oil system, c) the Engine purged of residual fuels, d) the type of fuel system preservation fluid used, e) the type of oil system preservation used and f) the oil tank drained of oil.
- q. Copy of the engine preservation tag (original to be shipped with Engine).
- r. All original documentation and records provided with the Engine at Delivery.

*** Combination Statement Template Includes:**

- s. Statement identifying the Engine's serviceability status at time of its removal
- t. ETOPS status Statement. (For Non-ETOPS operators, a statement identifying that the modification standard of the Engine has not been lowered from its as-delivered status will be required)
- u. Statement identifying that the Engine did not reach or exceed any limitations throughout the Lease Term.
- v. Statement identifying that the Engine experienced no abnormal occurrences throughout the Lease Term.
- w. Statement identifying any operation in or near volcanic ash cloud throughout the Lease Term.
- x. Statement identifying no Non-OEM approved repairs were incorporated into the engine/QEC.

- y. Statement identifying no Non-OEM approved parts are installed on engine/QEC.
- z. Statement identifying EEC software changes during the Lease Term (if applicable by engine model).
- aa. Oil type(s) used throughout the Lease Term.
- bb. Statement identifying any use of CIS Fuels and additives during the Lease Term.
- cc. Statement identifying any Fatty Acid Methyl Ester (FAME) Contamination.
- dd. Statement that the Engine was maintained and operated in accordance with the manufacturer's practices, procedures and approved data throughout the Lease Term.

*** Engine Installation and Removal History Template Includes:**

- ee. Aircraft registration and serial number, installed position(s), all thrust(s) operated, and Total Aircraft Time (TAT) and Total Aircraft Cycles (TAC) at installation(s) and removal(s) of the Engine.

*** Non Incident Statement Template Includes:**

- ff. A certificate stating that, during the Lease Term, the Engine was not **(a)** involved in an accident, incident, fire or a major failure, **(b)** exposed to stress or heat beyond limits, **(c)** immersed in salt water or exposed to corrosive agents outside normal operation, or **(d)** operated by a Government Entity. (Specimen attached to this GTA as Appendix E.)

* Annotates templates provided by WLFC for lessee (operator) certification

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UCC, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

AIRCRAFT ENGINE LEASE AGREEMENT

This Aircraft Engine Lease Agreement ("Lease") is made and entered into as of May 24 2019 by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III ("Beneficiary") and VB LEASECO PTY LTD, an Australian corporation ("Lessee").

WITNESSETH:

ARTICLE I Agreement to Lease:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease is entered into pursuant to, and by this reference incorporates all the terms and conditions of, the General Terms Engine Lease Agreement dated as of May 24, 2019 (the "GTA") between Lessor and Lessee. Capitalized terms used but not defined herein shall have the respective meanings given such terms in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall control.

ARTICLE II Lease Term:

The term of this Lease will commence on 24 May 2019 (the "Delivery Date") and will be a period of seventy two (72) months from (i) 1 June 2019 (or such other date parties might mutually agree) or (ii) the date on which the Engine is first installed on-wing (the "Installation Date"), whichever is earlier (the "Expiration Date" and the period from the Delivery Date to Expiration Date, both dates inclusive, "Lease Term").

ARTICLE III Delivery/Redelivery Locations:

The Equipment will be delivered to Lessee EXW the facility of Willis Engine Repair Center, Coconut Creek, Florida, U.S.A., and upon termination of the Lease, the Equipment will be redelivered to Lessor DDP the facility of Willis Asset Management Limited, Bridgend, Wales, or a location in the State of Florida, U.S.A. as determined by Lessor. To coordinate return of the Engine and its Engine records, Lessee should contact the Contract Administration Department of Willis Lease Finance Corporation, as Servicer at +1 415-408-4700.

ARTICLE IV Equipment:

Engine Make	Engine Model	Engine Serial No.	As of April 8, 2019		Engine Stand Serial No.
			Total Time Since New	Total Cycles Since New	
CFM International	CFM56-7B24/3	897193	18,255.48	10,456	Cradle: P/N D71CRA00005G02, S/N MCC150728-1-4 Base: P/N D71TRO00005G03, S/N MCC150728-1-4

Equipment includes, together with the Engine and Engine Stand listed above, (i) a QEC kit P/N QECNG737 consisting of all the components set forth in Appendix A hereto (ii) all Engine parts and attachments, and (iii) all Engine records, including a copy of the life-limited parts profile attached as Appendix B hereto, in the possession of Lessor requested by Lessee and all Engine records generated by Lessee during the Lease Term. Failure by Lessee to return any item of Equipment to Lessor, or failure to return any item of Equipment in accordance with the requirements of the Lease, upon termination of the Lease shall result in Lessor purchasing such item(s) on behalf of Lessee at up to full list price and invoicing Lessee for such cost plus a handling fee equal to 15% of such cost, which fee is capped at \$5,000.00 per item. Lessee shall pay such invoice within 30 days of receipt.

The Engine described above is rated in excess of 550 horsepower. The Engine described above has 24,200 pounds of thrust and is only to be operated by Lessee or Sublessee at such thrust unless this Lease expressly permits Lessee or Sublessee to operate the Engine at different thrust(s) or Lessee has received Lessor’s prior written consent to operate the Engine at a different thrust. The Lessor hereby consents to the Engine being operated at any thrust within the manufacturer’s approved limits which, for the avoidance of doubt, may be at a thrust higher than the thrust at Delivery provided that the cost of completing the Engine thrust conversion shall be borne by the Lessee. For the avoidance of doubt, the Lessor confirms that no additional fees, unless expressly provided for under this Lease, will be charged by the Lessor for changes in thrust configuration. Lessee will report the thrust at which the Engine is operating in its monthly utilization reports to Lessor.

ARTICLE V Agreed Value of Equipment: (See Schedule 1)

ARTICLE VI Lease Payments: (See Schedule 1)

ARTICLE VII Payments Due on Delivery: (See Schedule 1)

ARTICLE VIII Maintenance Costs:

Lessee to be responsible for equipment maintenance and repair costs in accordance with the GTA and this Lease.

ARTICLE IX Security Deposit: (See Schedule 1)

As a condition to delivery of the Equipment, Lessee shall pay to Lessor on the Delivery Date and shall maintain at all times during the Lease Term, as security for this Lease, an security deposit (the "Security Deposit") in the amount set forth in Schedule 1. Lessee shall not be entitled to any interest on the Security Deposit. Provided no Event of Default shall have occurred and be continuing, Lessor shall return the Security Deposit to Lessee upon the return of the Equipment to Lessor in the condition required by, and otherwise in accordance with all the return provisions of this Lease. Lessor shall not be required to apply the Security Deposit to cure any Event of Default under this Lease. Lessor must return the balance of any Security Deposit after deduction of costs, expenses, and damages due and payable by Lessee in accordance with the Lease Agreement.

ARTICLE X Beneficiary:

Beneficiary shall mean Willis Engine Structured Trust III. Beneficiary's Notice address is:

60 East Sir Francis Drake Blvd., Suite 209
Larkspur CA 94939 USA
Attn: General Counsel
Telephone No.: +1 (415) 408-4700
Fax No.: +1 (415) 408-4701

ARTICLE XI Lessor's Lender:

Lessor's Lender shall mean Deutsche Bank Trust Company Americas, as Security Trustee under the Security Trust Agreement dated as of August 4, 2017 between, inter alios, Lessor's Lender and Beneficiary, or if the Lessor so notifies Lessee in writing, shall mean any other party designated in writing by Lessor. Lessor's Lender's address is:

Deutsche Bank Trust Company Americas,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Lessor hereby notifies Lessee, and Lessee hereby acknowledges for the benefit of Lessor's Lender, that Lessor has granted a first priority security interest in the Lease and the Equipment to Lessor's Lender.

ARTICLE XII Payment Account:

Bank Name: Deutsche Bank Trust Co. Americas
ABA No.: 021001033
Acct No.: 00374723
Swift No.: BKTRUS33
Account Name: DBTCA as Trustee for WEST III Lessor Acct
Ref: MSN 897193 rental
Attn: Michele Voon T: 201-593-8420

or such other account as designated by Lessor in writing.

ARTICLE XIII Return of Equipment:

Lessee to be responsible for Equipment return in accordance with Section 18 of the GTA and this Lease.

ARTICLE XIV Subleases:

(a) Notwithstanding anything to the contrary in Section 17 of the GTA and so long as no Event of Default has occurred and is continuing, Lessee may sublease to the party listed on Schedule 1 ("Sublessee") and to such other sublessees as have been approved by Lessor in writing ("Permitted Sublessees") provided that (i) Lessee remains fully responsible to Lessor under the terms of the GTA, this Lease, (ii) the sublease is made expressly subordinate to the terms of the GTA and this Lease and the term of the Permitted Sublease shall not extend beyond the terms of the Lease, (iii) at the sole option of Lessor or Lessor's Lender, Lessee registers such sublease as an international interest with the International Registry created by the Cape Town Convention and causes the sublessee to register as a user of the International Registry system in order to effect registration of the sublease, and Lessee consents to any assignment of the sublease and assists in registering such assignment with the International Registry, (iv) Lessee will procure that any and all sub-lessees comply with all the covenants, undertakings and representations of Lessee to Lessor and (v) Lessor has received (a) a copy of Sublessee's approved maintenance program which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine, (b) an executed copy of the Permitted Sublease between Lessee and Sublessee, (c) an executed sublease assignment and related sublessee consent in form and substance reasonably satisfactory to Lessor in respect of the Permitted Sublease; (d) an executed sublessee subordination acknowledgement in form and substance reasonably satisfactory to Lessor from the Permitted Sublessee and Lessee; and (e) an executed power of attorney from Sublessee in form and substance satisfactory to Lessor and Lessor's Lender.

(b) Performance by Sublessee of the covenants set forth herein, whether expressed as obligations of Lessee or Sublessee, shall be deemed to satisfy the obligations of Lessee hereunder to the extent of the performance.

ARTICLE XV Additional Insureds and Loss Payee/Contract Party:

Casualty Insurance:

Sole Loss Payee:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Liability Insurance:

Additional Insureds:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns, as Security
Trustee, as trustee of the notes, and as operating bank
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Wells Fargo Trust Company, National Association
in its individual capacity and as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 U.S.A.
Attn: Corporate Trust Lease Group
Fax: +1 801.246.7142
Email: CTSLeaseCompliance@wellsfargo.com

Willis Lease Finance Corporation
as servicer, as administrative agent, as trust certificate holder and as prior owner participant
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

Willis Engine Structured Trust III
As owner participant and as issuer
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

BNP Paribas,
as liquidity facility provider
787 Seventh Avenue
New York, New York 10019 U.S.A.
Attention: Aviation Finance Group
Fax: (212) 841-2748
Email: dl.afgny.mo@us.bnpparibas.com

Wilmington Trust Company,
in its individual capacity and as Owner Trustee of the Issuer
1100 North Market Street
Wilmington, Delaware 19890-0001

ARTICLE XVI Trustee Capacity

It is understood and agreed that the Lessor is entering into this Lease solely in its capacity as owner trustee under a trust agreement and that Lessor shall not be liable or accountable in its individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets of the trust estate (as defined in such trust agreement).

ARTICLE XVII [Intentionally deleted].

ARTICLE XVIII Additional Representation: As of the date of execution of this Lease, the Lessee was situated in a contracting state as defined in the Cape Town Convention.

ARTICLE XIX Survival: The representation, warranties, indemnities and any other agreement or obligations intended to survive the Lease Term shall survive the expiration, termination or cancellation of this Lease.

ARTICLE XX The GTA is amended as follows for this Lease only:

1. A new Section 4(h) is added to the GTA and reads follows:

“Letter of Credit

(a) The Lessee may at any time during the Lease Term, so long as no Event of Default has occurred and is continuing, deliver a Security Letter of Credit to the Lessor to replace the cash Security Deposit received by Lessor.

(b) Each Security Letter of Credit shall:

- (i) be denominated and payable in an amount equal to the Security Deposit;
- (ii) be a first demand, irrevocable and absolute payment undertaking of the issuing bank payable on written demand without proof or evidence of entitlement or loss required;
- (iii) be addressed to the Lessor or its permitted nominee and provide for partial and multiple drawings (without terminating the remaining balance) and freely assignable and transferable to any assignee or transferee of the Lessor without any fees or costs charged to the Lessor or such assignee or transferee;
- (iv) be issued or confirmed and payable by an international bank, having a long-term unsecured rating of at least "A1" from Moody's or "A+" from Standard & Poor's (or the equivalent from Fitch Ratings) and otherwise reasonably acceptable to the Lessor;
- (v) be presentable for payment at sight at an office of the issuing or confirming bank at in San Francisco or a location otherwise agreed between the Lessor and the Lessee; and
- (vi) have a non-cancellable term of at least twelve (12) months or, if shorter, the remainder of the Term and (in the case of the Security Letter of Credit for the final year of the Term) be valid for at least one month after the Expiration Date.

(c) The Lessor may make a demand under the Security Letter of Credit if:

- (i) the Security Letter of Credit is due to expire during the Lease Term and is not renewed or reissued or replaced by paying an amount equal to the Security Deposit to Lessor; or
- (ii) an Event of Default has occurred and is continuing.

(d) The amount drawn by the Lessor under the Security Letter of Credit will be applied by the Lessor in full or partial satisfaction of the Lessee obligation under the Lease.

(e) If the Lessor draws any funds under the Security Letter of Credit then:

- (i) such drawing shall not be deemed a cure by the Lessee, or waiver by the Lessor or any other person, of any Event of Default unless and until the Lessee complies with its obligations in Section 4(h)(e)(iii);
- (ii) any interest earned on the amounts so drawn shall be for the Lessor's sole account; and
- (iii) the Lessee shall within ten (10) Business Days of demand by the Lessor, (A) provide the Lessor with a replacement Security Letter of Credit with a face value at least equal to, or (B) pay to the Lessor in cash an amount equal to, the Security Deposit less (x) any amount drawn under the Security Letter of Credit but not applied by the Lessor in satisfaction of the Lessee's obligations under the Lease (which amount shall constitute part of the Security Deposit amount) and (y) any other amount paid to the Lessor under this Section.

(f) If the Security Deposit has been previously provided in cash, within ten (10) Business Days after receipt of a Security Letter of Credit, the Lessor shall pay to the Lessee an amount equal to the Security Deposit amount.

(g) If a Security Letter of Credit is due to expire during the Lease Term or should otherwise cease to be legally valid and binding, the Lessee shall either (i) pay to the Lessor an amount equal to the Security Deposit amount or (ii) procure the renewal thereof or the issuance of a new Security Letter of Credit, in either case, at least five (5) Business Days before the expiry date of the then current Security Letter of Credit (or within five (5) Business Days of notice from the Lessor if the then current Security Letter of Credit ceasing to be legally valid and binding), it being understood that the renewed or re-issued Security Letter of Credit need only be valid with effect from the date of expiry of the previous Security Letter of Credit. The Lessor will return any expired Security Letter of Credit, any Security Letter of Credit which is replaced in accordance with this clause and any Security Letter of Credit which ceases to be legally valid and binding to Lessee promptly after it is replaced, expires or ceases to be legally valid and binding (as applicable).

(h) The Lessor shall return the Security Letter of Credit to the Lessee (or at the Lessee's request, to the issuing bank) not later than ten (10) Business Days after:

- (i) the (i) Lease Termination Date or (ii) receipt of the Security Deposit amount or (iii) another Security Letter of Credit in substitution for the Security Letter of Credit; and
- (ii) the Lessor is satisfied (acting in reasonably and in good faith) that all of the obligations under the relevant Lease then due and payable have been satisfied in full."

2. A new Section 6(d) is added to the GTA and reads follows:

“Notwithstanding anything to the contrary herein, and except as noted below, Use Fees collected for this Lease Agreement are reimbursable if a Qualifying Repair (as defined below) is required and Lessor agrees in writing that Lessee shall repair the Engine. In that case, Lessee shall arrange for induction of the Engine into a Lessor-approved maintenance center for maintenance according to a workscope that Lessor will provide in writing. Lessor will manage the maintenance in coordination with the Lessee. When the maintenance is complete to Lessor’s satisfaction, and provided no Event of Default has occurred, Lessor will reimburse Lessee (or pay directly to the maintenance provider) the proportionate amount of any Use Fees that Lessor received from Lessee during the Term equal to the well-documented costs of the Qualifying Repair. Any Qualifying Repair costs that exceed the total Use Fees already accumulated under the Lease Agreement will be for Lessor’s account. Use Fees are in all other circumstances non-reimbursable and nothing contained herein shall discharge or modify Lessee’s responsibility for costs of repairs that are not Qualifying Repairs. In this Lease Agreement, “Qualifying Repair” means any off-wing Engine maintenance that is not caused by foreign object damage, accidents, improper transportation or mishandling of the Engine, Lessee’s negligence, accidents or incidents, or any operational or maintenance related negligence, misuse, abuse or act or omission of Lessee or its agents during the Term.”

3. Section 17.2 is deleted in its entirety and replaced by the following:

“The parties acknowledge and agree that the Equipment may be installed on airframe which is owned by or leased to Lessee or the Permitted Sublessee, provided that no Event of Default shall have been occurred and be continuing, and in any such case:

(a) Lessee or the applicable Permitted Sublessee has provided satisfactory evidence that the Lessee or the applicable Permitted Sublessee has title to such airframe and the airframe is free and clear all Lines (except for Permitted Liens); or

(b) such other airframe is leased to the Lessee or the applicable Permitted Sublessee or owned by the Lessee or the applicable Permitted Sublessee subject to a conditional sale or other security agreement provided that if the Equipment will be installed on such airframe for more than one hundred fifty (150) days:

(i) such airframe is free and clear of all Liens except (A) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (B) Permitted Liens; and

(ii) Lessee shall provide procure a written agreement from the owner and/or secured party of such airframe (which may be contained in the lease, conditional sale or security agreement covering such airframe), on terms reasonably acceptable to the Lessor, whereby such owner or secured party expressly agrees that (A) neither it nor its successors or assigns will acquire or claim any right, title or interest in any Equipment by reason of such Engine being installed on such airframe at any time while such Engine is subject to this Agreement and (B) either the Owner (or the Security Trustee) will be designated loss payee in respect of any loss or damage to the Engine or will acquire title to a replacement engine if the Engine is destroyed or title to that Engine is lost.

(iii) To the extent the requirement set out this Section 17.2 are satisfied, Lessee shall not be required to comply with Section 6(c)(iv)”

4. Section 18.1(a) is deleted in its entirety and replaced by the following:

“Time remaining: At the time the Equipment is returned to Lessor, the time in hours and cycles since new or the last Full Engine Refurbishment Shop Visit (as defined below) or Performance Restoration Shop Visit, as applicable, shall not be more than the hours and, if applicable, cycles since new or the last such applicable Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit on the Engine at delivery if the Engine has not been installed on any aircraft during the Lease Term. “Full Engine Refurbishment Shop Visit” means a full engine refurbishment workscope performed in accordance with the applicable Engine manufacturer’s Workscope Planning Guide or Engine manufacturer’s equivalent maintenance planning document. For the avoidance of doubt, Lessee may install the Engine on any aircraft during the Lease Term in accordance with the applicable provision of this GTA and will not be required to return the Equipment with prescribed return conditions limiting the Lessee’s usage of the Engine provided that the Engine’s full take-off power EGT margin shall be within the acceptable and serviceable range based on Lessee’s operational experience with the particular engine model. Compensation for any difference between the condition of the Equipment at delivery and redelivery is provided for in subsection 18.1(b) below.”

5. Section 18.1(b) is deleted in its entirety and replaced by the following:

“Compensation: Upon return of the Equipment, Lessee shall make a payment to Lessor to compensate Lessor for any difference between the condition of the Equipment on the Delivery Date and the condition of the Equipment at the time of return. Any available engine heavy maintenance and, if applicable, life-limited parts Use Fees, paid to Lessor by Lessee related to an Engine, may be utilized towards such respective payments due on the return of that particular Engine; provided, that such payments shall not be utilized for the repair of damage caused by Lessee or for the repair of defects caused by foreign objects or by operational abuse or misuse including, but not limited to, incorrect or unauthorized settings or overspeed or component failure. If the Engine did not undergo any Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit during the Lease Term, Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee’s mean cost of Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet at the time of return divided by Lessee’s mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet. In the event work is undertaken by Lessee, with respect to each Engine Module (as defined below), Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine Module on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee’s mean cost of each Engine Module Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet at the time of return divided by Lessee’s mean time between Full Engine

Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet. In the event that Lessee has insufficient fleet shop visit data to determine the preceding, the per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be based on the Use Fee table and Engine Module table set out in Schedule 1 to the Lease Agreement.

In addition, Lessee shall compensate Lessor at the conclusion of the Lease Term for life used on life-limited parts during the Lease Term, as determined by the difference between the life-limited parts sheets for the Engine on the Delivery Date and the life-limited parts sheets for the Engine at the time of return. The amount of such compensation shall be calculated by reference to the applicable manufacturer's parts price catalogue and the manufacturer's published maximum life limits of the applicable life limited parts current at the time of redelivery."

6. A new Section 18.3(j) is added to the GTA and reads follows:

“ECM Return: Provided that no Event of Default has occurred and continuing, Lessor agrees to waive the requirement of a full Test Cell Run as required under Section 18.1(c) and Section 18.2(c), provided that two (2) weeks prior to Lessor's receipt of the ECM Return Notice (as defined below), Lessee shall provide to Lessor, for Lessor's review, preliminary ECM or EHM (as applicable) data and operating history (from the date of installation of the Engine until the then-current date). If no unusual and/or unacceptable conditions (as defined below) are noted within such preliminary data and history, then, immediately after the final flight, Lessee will provide to Lessor and the original equipment manufacturer (“OEM”), for each of their respective review, final ECM or EHM (as applicable) maintenance data and operating history (installation until the then-current date), in a format approved by the OEM for the purpose of issuing the Engine health summary, and authorization for Lessor and the OEM to access such ECM or EHM (as applicable) data. Lessor will invoice and Lessee agrees to pay the then current rate for an OEM generated ECM health report (“ECM Health Report”). (For reference only, the 2019 rate is US\$5,000.00.) If no unusual and/or unacceptable conditions are noted within such final data and history, then Lessor will provisionally waive a requirement for a Test Cell Run (as defined below) and accept in its place an ECM Health Report return (“ECM Return”). If, on the other hand, any unusual and/or unacceptable conditions are identified during review of either the preliminary or the final ECM or EHM (as applicable) data or operational history, in each case, that cannot be troubleshot and/or corrected while on wing, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine by an FAA FAR Part 145 or EASA Part 145 approved repair station reasonably acceptable to Lessor at Lessee's sole expense. As used herein, “unusual and/or unacceptable conditions” means any discrepancies, defects and/or excursions from the base line that have not been corrected in accordance with the applicable aircraft maintenance manual prior to review of the preliminary or final, as the case may be, ECM or EHM (as applicable) data. In addition to the ECM Return (or, if applicable, the Test Cell Run), (i) Lessee will perform or cause to be performed on the Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full (compressor, combustion and turbine sections) video borescope inspection (“Borescope Inspection”) to be accomplished after the ECM Return (or, if applicable, the Test Cell Run); (ii) the Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document (“MPD”) “C” Check, or engine Stagger Check (as applicable); and (iii) any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed.


As identified and required above, throughout the Lease Term, Lessee will monitor and record Engine performance and, at redelivery, Lessee will provide complete and legible ECM or EHM (as applicable) data, to include both take off and cruise performance and mechanical parameters covering the complete installation term of such Engine since delivery. If Lessee fails to provide the required ECM or EHM (as applicable) data or the Engine's operating, maintenance and inspection history, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine at Lessee's sole expense. If review of the Engine's operating, maintenance or inspection history, or ECM or EHM (as applicable) data throughout the Lease Term, do not meet acceptable standards for the Engine, or the Borescope Inspection or Engine or QEC inspection identifies any unusual and/or unacceptable conditions with respect to the Engine, or the Engine condition is not consistent with the OEM's published unrestricted reinspection intervals, then Lessee will immediately notify Lessor of the findings.

If the ECM Health Report, aforementioned required data, operating or maintenance history, Borescope Inspection or Engine or QEC inspection or, if required, the Test Cell Run identifies an unusual and/or unacceptable condition for which Lessee is responsible under Section 6(a)(i) of the GTA, then Lessee will be responsible for repairing the Engine to return it to the acceptable standard for the Engine and the costs therefor. Lessee shall be liable for repairs and/or correction of any condition that results in a reinspection interval for which Lessee is responsible, as required by Section 6(a)(i) of the GTA. For the avoidance of doubt, the Engine shall continue to remain on lease until the aforementioned repairs and/or corrections have been completed to Lessor's satisfaction.

Lessee shall provide Lessor with a minimum of two (2) weeks' advance notice of Lessee's intention to perform the ECM Return (the "ECM Return Notice"), Borescope Inspection and, if required, the Test Cell Run, and a minimum of ten (10) days' advance notice prior to performing the Borescope Inspection and, if required, the Test Cell Run, so that Lessor shall have time to have a technical representative present during such Engine inspections and tests, as applicable. Lessee will also provide Lessor with a minimum of ten (10) days' advance notice of the location of such Engine inspections and tests, as applicable. In the event Lessee fails to provide the requisite advance notice to Lessor and Lessee performs any inspections or tests, as applicable, without Lessor's technical representative present to witness same, Lessee will be required to re-perform such inspections and/or tests, as applicable, with Lessor's technical representative present."

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: 
Name: _____
Title: _____
 J. Brent Allen
 Vice President

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated

in the presence of:

Signature of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of witness

Full name of attorney


IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: _____
Name: _____
Title: _____

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019


in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney
T.M. McADAM
Attorney

Full name of attorney

Schedule 1
to Aircraft Engine Lease Agreement

ARTICLE V **Agreed Value of Equipment:** US\$10,000,000.

ARTICLE VI **Lease Payments:**

Rent:

Monthly Rent:

US\$58,000 per month when Engine is operated as CFM56-7B24 or lower, and

US\$64,000 per month when Engine is operated as CFM56-7B26, provided, however, that no Rent will be chargeable until (i) 1 June 2019 or (ii) Installation Date, whichever is earlier.

Pro Rata Rent:

If the Delivery Date is other than the first day of a calendar month, Lessee will pay to Lessor, in arrears on the first day of the next succeeding calendar month, a pro rata Rent payment equal to the monthly Rent divided by 30 multiplied by the actual number of days from the Delivery Date to the first day of the next succeeding calendar month.

Use Fees: Lessee will not be required to pay monthly Use Fees during the Lease Term. Use Fee compensation will instead be calculated and charged at the return of the Equipment in accordance with Section 18.1(b) of the Lease Agreement.

Virgin Australia, CFM56-7B Rates, Medium Severity, 10% Proven Derate					
Ratio	7B20 Hourly	7B22 Hourly	7B24 Hourly	7B26 Hourly	Cyclic
1.5	\$129.12	\$142.15	\$145.13	\$161.37	\$163.38
1.6	\$122.91	\$136.08	\$139.20	\$152.55	\$163.38
1.7	\$118.57	\$131.17	\$134.14	\$144.74	\$163.38
1.8	\$114.23	\$126.97	\$129.08	\$137.80	\$163.38
1.9	\$110.91	\$122.35	\$124.17	\$132.02	\$163.38
2.0	\$107.73	\$118.73	\$120.26	\$126.09	\$163.38
2.1	\$104.98	\$115.55	\$117.23	\$121.32	\$163.38
2.2	\$101.65	\$112.66	\$113.18	\$117.41	\$163.38
2.3	\$98.91	\$109.77	\$111.30	\$112.50	\$163.38
2.4	\$95.72	\$107.17	\$107.25	\$108.59	\$163.38
2.5	\$93.41	\$104.85	\$105.23	\$105.56	\$163.38

*If the hour:cycle ratio decreases or increases, the flight hour charge will be increased or decreased proportionally. On 1 January 2019 and each January 1st thereafter, Use Fee will be adjusted based on actual operating environment,

severity, proven derate level, and hour:cycle ratio, and will be escalated at fixed 3.5% (for flight hours) and OEM's LLP part price (for flight cycles) for such year.

The above rates will be applied to each Engine Module on the following percentages:

Major Module	Flight Hour Percentage
Fan & Booster	7%
HPC	35%
HPT & Combuster	40%
LPT	13%

“Engine Modules” means each of (a) Fan & Booster (ATA Chapters 72-21/22/23); (b) HPC (ATA Chapters 72-31/32/33); (c) HPT & Combuster (ATA Chapters 72-41/42/51/52/53) and (d) LPT (ATA Chapters 72-54/55/56).

NOTE: : In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, in each case payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

ARTICLE VII Payments Due on Delivery:

Security Deposit:	US\$100,000
Advance Rent:	US\$ 64,000
Transaction Fee:	US\$ 0
Advance Use Fee:	US\$ 0
Total Payment:	<u>US\$164,000</u>

ARTICLE IX Security Deposit:

Security Deposit: US\$100,000.

Lessee may replace the cash Security Deposit with a Security Letter of Credit.

ARTICLE XIV Subleases:

Sublessee: Any member of the Virgin Australia Group (being Virgin Australia Holdings Limited, Virgin Australia International Holdings Pty Ltd and each of their wholly owned subsidiaries), provided that such members have satisfactory completed Lessor's KYC process.

SECTION 19(a)(viii) of the GTA - Threshold Amount:

US\$25,000,000 (Twenty-Five Million US Dollars).

Appendix A QEC/Accessories Inventory

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 897193
ACCESSORY INVENTORY
11-Apr-2019

ESN:	897193	LOCATION:	JES, Dallas
ETT:	18,255.29	OPERATOR:	Southwest
ETC:	10,456	DATE:	8-Apr-19
TECHNICAL DEPARTMENT VERIFICATION BY:	N. Rogers	DATE:	11-Apr-19
RECORDS DEPARTMENT VERIFICATION BY:	H. Lichtenthal	DATE:	

QTY	DESCRIPTION	TYPICAL PART NUMBER	PIN	S/N	TSN	TSO	TSI/TSR	REMARKS
1	AIR STARTER	1851M36P10	1851M36P10	GR1F0633	18,255.29	18,255.29	18,255.29	
1	ALTERNATOR STATOR	2123M63P02	510946-1	B88421	4,846.29	4,846.29	4,846.29	
1	ECU SOFTWARE	2044M25P17	2044M25P19	NSN	N/R	N/R	N/R	SOFTWARE VERSION 7 B.WZF3 (7E6A)
1	ELECTRONIC CONTROL UNIT	2042M67P04	2042M67P04	FFFB0839	18,255.29	18,255.29	18,255.29	
1	ENGINE IDENTIFICATION TRIM PLUG	390-660-401-0	390-660-301-0	PB003775-G	4,846.29	4,846.29	4,846.29	
1	FUEL DIFF SWITCH	340-402-706-0	OA07995	RC9-9924	4,846.29	4,846.29	4,846.29	
1	FUEL FILTER	340-403-004-0	340-403-004-0	EM382188-8	18,255.29	18,255.29	18,255.29	
1	FUEL FLOW TRANSMITTER	1853M48P03	1853M48P03	FEC16013	18,255.29	18,255.29	18,255.29	
1	FUEL PUMP	340-402-705-0	340-402-705-0	YA071182-C	47,499.55	4,846.29	4,846.29	
1	HPT CLEARANCE CONTROL VALVE	1821M59P06	1821M59P06	GR1T2787	18,255.29	18,255.29	18,255.29	
1	HYDROMECHANICAL UNIT	1853M56P15	1853M56P15	BECW0625	47,708.29	6,503.29	5,319.29	
1	IDG OIL COOLER	45731-1393	45731-1393	EM550756-P	18,255.29	18,255.29	18,255.29	
1	IGNITION EXCITER UPPER	9238M66P08	9238M66P08	UNLJM758	18,255.29	18,255.29	18,255.29	
1	IGNITION EXCITER LOWER	9238M66P08	9238M66P08	UNNF8615	44,061.68	12,960.77	12,960.77	
1	LPT CLEARANCE CONTROL VALVE	340-402-005-0	340-402-003-0	EM472188-N	18,255.29	18,255.29	18,255.29	
1	LUBRICATION UNIT	41F1005	41F1005	YT130343-P	18,255.29	18,255.29	18,255.29	
1	N1 SPEED SENSOR	3215KG801	3215KG801	EM176539-L	18,255.29	18,255.29	18,255.29	
1	N2 SPEED SENSOR	320-549-005-0	320-549-005-0	EM169059-9	18,255.29	18,255.29	18,255.29	
1	OIL ANTI LEAK VALVE	41F3003	41F3003	YI0200431-U	18,255.29	18,255.29	18,255.29	
1	OIL CLOGGING TRANSMITTER	OA07658ISS1	OA07658ISS1	RR6-4153	18,255.29	18,255.29	18,255.29	
1	OIL PRESSURE SENSOR	340-402-902-0	340-402-902-0	YK015242-G	18,255.29	18,255.29	18,255.29	
1	OIL QTY TRANSMITTER	340-402-801-0	340-402-801-0	YE012395-2	10,056.55	10,056.55	10,056.55	
1	OIL SCAVENGE FILTER	41F9003	41F9003	YT119240-A	18,255.29	18,255.29	18,255.29	
1	OIL TANK	41F5102	41F5102	YT123503-8	18,255.29	18,255.29	18,255.29	
1	OIL TEMP SENSOR PROBE	340-403-201-0	340-403-201-0	EM357487-M	18,255.29	18,255.29	18,255.29	
1	OIL/TEMP HEAT EXCHANGER	45332-8039	11-841183-4	YY003799-2	18,255.29	18,255.29	18,255.29	
1	SERVO FUEL HEATER	45731-1392	45731-1392	EM157405-W	18,255.29	18,255.29	18,255.29	
0	T1.2 TEMP SENSOR	RP235-00						NOT PROVIDED
1	T3 SENSOR - COMP. DISCHARGE TEMP.	1853M47P01	1853M47P01	FDT65473	18,255.29	18,255.29	18,255.29	
1	TRANSIENT BLEED VALVE	1821M60P04	1821M60P04	GR1T3009	18,255.29	18,255.29	18,255.29	
1	VBV BALLSCREW ACTUATOR LH	340-402-604-0	1226400	EM482769-G	18,255.29	18,255.29	18,255.29	
1	VBV BALLSCREW ACTUATOR RH	340-402-604-0	1226400	EM482785-K	18,255.29	18,255.29	18,255.29	
1	VSV ACTUATOR LH	1324M12P10	1324M12P10	APNMG636	18,255.29	18,255.29	18,255.29	
1	VSV ACTUATOR RH	1324M12P10	1324M12P10	APNMG321	18,255.29	18,255.29	18,255.29	
QTY	DESCRIPTION	TYPICAL PART NUMBER	PIN	S/N	TSN	TSO	TSI/TSR	REMARKS
1	ACCESSORY GEARBOX	340-046-505-0	340-046-505-0	WZ1289	18,255.29	18,255.29	18,255.29	
1	FUEL NOZZLE 1	1317M47G16	1317M47G01	PCY30501	18,255.29	18,255.29	18,255.29	
1	FUEL NOZZLE 2	1317M47G16	1317M47G01	PCY30306	18,255.29	18,255.29	18,255.29	

NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 897193
ACCESSORY INVENTORY
11-Apr-2019

ESN:	897193	LOCATION:	JES, Dallas
ETI:	18,255,29	OPERATOR:	Southwest
ETC:	10,456	DATE:	8-Apr-19
TECHNICAL DEPARTMENT VERIFICATION BY:	N. Rogiers	DATE:	11-Apr-19
RECORDS DEPARTMENT VERIFICATION BY:	H. Lichtenheldt	DATE:	

QTY	DESCRIPTION	TYPICAL PART NUMBER	P/N	S/N	TSN	TSO	TS/TSR	REMARKS
1	FUEL NOZZLE 3	1317M47G16	1317M47G01	PCY303D7	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 4	1317M47G16	1317M47G01	PCY303D8	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 5	1317M47G18	1317M47G01	PCY303D9	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 6	1317M47G18	1317M47G01	PCY304D0	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 7	1317M47G18	1317M47G01	PCY304D1	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 8	1317M47G18	1317M47G16	PCYJP286	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 9	1317M47G18	1317M47G01	PCY304D2	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 10	1317M47G18	1317M47G01	PCY304D3	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 11	1317M47G18	1317M47G01	PCY304D4	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 12	1317M47G18	1317M47G01	PCY304D5	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 13	1317M47G18	1317M47G01	PCY304D6	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 14	1317M47G18	1317M47G16	PCYJP288	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 15	1317M47G18	1317M47G16	PCYJP288	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 16	1317M47G18	1317M47G01	PCY304D7	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 17	1317M47G18	1317M47G01	PCY304D8	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 18	1317M47G18	1317M47G01	PCY304D9	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 19	1317M47G18	1317M47G01	PCY305D0	18,255,29	18,255,29	18,255,29	
1	FUEL NOZZLE 20	1317M47G18	1317M47G16	PCYJP287	18,255,29	18,255,29	18,255,29	
1	HARNESS C10	325-025-401-0	325-025-401-0	EM245997-J	18,255,29	18,255,29	18,255,29	
1	HARNESS C19	325-045-201-0	325-045-201-0	EM240995-8	18,255,29	18,255,29	18,255,29	
1	HARNESS J10	325-043-502-0	325-043-502-0	EM238746-P	18,255,29	18,255,29	18,255,29	
1	HARNESS J5	325-034-902-0	325-034-902-0	YH651100-J	18,255,29	18,255,29	18,255,29	
1	HARNESS J6	325-035-003-0	325-035-003-0	YH224645-A	18,255,29	18,255,29	18,255,29	
1	HARNESS J7	325-025-702-0	325-025-702-0	YH229115-E	18,255,29	18,255,29	18,255,29	
1	HARNESS J8	325-025-803-0	325-025-803-0	YH654118-P	18,255,29	18,255,29	18,255,29	
1	HARNESS J9	325-043-401-0	325-043-401-0	EM230733-1	18,255,29	18,255,29	18,255,29	
1	IGNITER LEAD 1	1853M13P01	1853M13P01	UNK74211	18,255,29	18,255,29	18,255,29	
1	IGNITER LEAD 2	1853M13P01	1853M13P01	UNK74213	18,255,29	18,255,29	18,255,29	
1	J1 WIRE BUNDLE	325-035-503-0	325-035-503-0	YH660146-8	18,255,29	18,255,29	18,255,29	
1	J2 WIRE BUNDLE	325-026-902-0	325-026-902-0	YH661134-C	18,255,29	18,255,29	18,255,29	
1	J3 WIRE BUNDLE	325-015-001-0	325-015-001-0	YH662116-T	18,255,29	18,255,29	18,255,29	
1	J4 WIRE BUNDLE	325-035-201-0	325-035-201-0	YH663116-A	18,255,29	18,255,29	18,255,29	
1	PROBE T49.5 (UPPER LH)	TC296-03	TC296-03	YC499411-V	18,255,29	18,255,29	18,255,29	
1	PROBE T49.5 (LOWER LH)	TC296-03	TC296-03	YC499692-L	18,255,29	18,255,29	18,255,29	
1	PROBE T49.5 (LOWER RH)	TC296-03	TC296-03	YC499401-D	18,255,29	18,255,29	18,255,29	
1	PROBE T49.5 (UPPER RH)	TC296-03	TC296-03	YC499408-6	18,255,29	18,255,29	18,255,29	
1	TRANSFER GEARBOX	340-050-705-0	340-050-705-0	VZ1313	18,255,29	18,255,29	18,255,29	
1	VIBRATION SENSOR FFCC	144-187-000-011	NV	NV	18,255,29	18,255,29	18,255,29	

NSN: NO SERIAL NUMBER
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ACCESSORY INVENTORY
11-Apr-2019

ESN:	897193	LOCATION:	JES, Dallas Southwest
ETT:	18,255.29	OPERATOR:	Southwest
ETC:	10,456	DATE:	8-Apr-19
TECHNICAL DEPARTMENT VERIFICATION BY:	N. Rogers	DATE:	11-Apr-19
RECORDS DEPARTMENT VERIFICATION BY:	H. Lichtenheldt	DATE:	

QTY	DESCRIPTION	P/N	S/N	TSN	TSO	TSI/TSR	REMARKS
QTY	DESCRIPTION	TYPICAL PART NUMBER	P/N	S/N	TSN	TSO	TSI/TSR
1	ALTERNATOR ROTOR	2123M62P01	N/V	N/V	4,846.29	4,846.29	
1	CIT725 TEMP SENSOR	RP236-00	N/V	N/V	18,255.29	18,255.29	
1	SPARK (IGNITER MAIN (LOWER))	CH31900-6	N/V	N/V	18,255.29	18,255.29	
1	SPARK (IGNITER MAIN (UPPER))	CH31900-6	N/V	N/V	18,255.29	18,255.29	
12	VBV DOORS	340-074-402-0	N/V	N/V	18,255.29	18,255.29	
1	VIBRATION SENSOR BRG #1	144-186-000-011	N/V	N/V	18,255.29	18,255.29	

NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 897193
QEC INVENTORY
11-Apr-2019

ESN:	897193	LOCATION:	JES, Dallas
ETT:	18,255,29	OPERATOR:	Southwest
ETC:	10,456	DATE:	8-Apr-19
TECHNICAL DEPARTMENT VERIFICATION BY:	N. Rogers	DATE:	11-Apr-19
RECORDS DEPARTMENT VERIFICATION BY:	H. Lichtenheldt	DATE:	

QTY	DESCRIPTION	PPBM REFERENCE	TYPICAL PART NUMBER	P/N	S/N	TSN	TSO	TS/TSR	REMARKS
1	QEC KIT	71-00-02	QECNG737-200						
0	HYDRAULIC PUMP (VICKERS)	FIGURE 20, ITEM 15	10-62167-3						NOT PROVIDED
0	HYDRAULIC PUMP (ABEX)	FIGURE 20, ITEM 15	10-62167-3/2						N/A TO CONFIGURATION
0	IDG	FIGURE 22, ITEM 50	S281A001-101						NOT PROVIDED
0	IDG RELIEF VALVE	FIGURE 24, ITEM 10	2R3680						N/A TO CONFIGURATION
0	BLEED AIR REGULATOR	FIGURE 14, ITEM 250	107492-6						NOT PROVIDED
0	CHECK VALVE	FIGURE 16, ITEM 250	3202222-1						NOT PROVIDED
1	FIRE DETECTOR LEFT CORE	FIGURE 28, ITEM 15	902862	902862	NIV	18,255,29	18,255,29	18,255,29	
1	FIRE DETECTOR LOWER FAN	FIGURE 28, ITEM 10	902016-01	902016-01	6440	18,255,29	18,255,29	18,255,29	
1	FIRE DETECTOR RIGHT CORE	FIGURE 28, ITEM 20	902018-01	NIV	NIV	18,255,29	18,255,29	18,255,29	
1	FIRE DETECTOR UPPER FAN	FIGURE 28, ITEM 5	902864	902864	4788	18,255,29	18,255,29	18,255,29	
1	FUEL INLET HOSE ASSY	FIGURE 12, ITEM 10	AE713733-1	AE713733-1	5657	18,255,29	18,255,29	18,255,29	
0	HIGH STAGE REGULATOR	FIGURE 14, ITEM 150	107484-7						NOT PROVIDED
0	HIGH STAGE VALVE	FIGURE 16, ITEM 150	3214446-4						NOT PROVIDED
1	HYDRAULIC FILTER	FIGURE 21, ITEM 5	7579078	7579078	23516	18,255,29	18,255,29	18,255,29	
1	IDG AIR/OIL COOLER	FIGURE 23, ITEM 5	UA538551-3	UA538551-4	4817	18,255,29	18,255,29	18,255,29	
1	MOUNT ASSY - AFT	FIGURE 3, ITEM 5	310A2030-17	NIV	NIV	18,255,29	18,255,29	18,255,29	
1	MOUNT ASSY - AFT HANGER FITTING	FIGURE 3, ITEM 5	310A2031-25	310A2031-25	B5375	18,255,29	18,255,29	18,255,29	
1	MOUNT ASSY - FORWARD	FIGURE 2, ITEM 15	310A2020-11	310A2028-13	NIV	18,255,29	18,255,29	18,255,29	
1	MOUNT ASSY - FWD HANGER FITTING ASSY	FIGURE 2, ITEM 50	310A2021-4	310A2021-4	NIV	18,255,29	18,255,29	18,255,29	
1	PLUG ASSY (EXHAUST PLUG)	FIGURE 32, ITEM 5	314A2620-1	314A2620-1	N721-340	18,255,29	18,255,29	18,255,29	
0	PRECOOLER CONTROL VALVE (VALVE-FAN AIR)	FIGURE 14, ITEM 75	3289562-5						NOT PROVIDED
0	PRESSURE SWITCH - CTAI	FIGURE 27, ITEM 60	21SN41-52						NOT PROVIDED
1	PRIMARY NOZZLE ASSY (EXHAUST SLEEVE)	FIGURE 32, ITEM 100	314A2610-62	314A2610-62	N647-462	18,255,29	18,255,29	18,255,29	
0	PRSOV	FIGURE 18, ITEM 5	3214552-6						NOT PROVIDED
0	START VALVE (SHUT OFF)	FIGURE 25, ITEM 175	3289630-2						NOT PROVIDED
1	THRUST LINK LEFT	FIGURE 31, ITEM 5	310A2041-9	310A2041-9	34742	18,255,29	18,255,29	18,255,29	
1	THRUST LINK RIGHT	FIGURE 31, ITEM 10	310A2041-10	310A2041-10	34742	18,255,29	18,255,29	18,255,29	
0	VALVE ASSY (CTAI)	FIGURE 27, ITEM 225	3215618-4						NOT PROVIDED
0	VALVE - GROUND WING TAI TEMP	FIGURE 14, ITEM 5	320546-2						NOT PROVIDED
1	HOSE - HYDRAULIC CASE DRAIN UPPER	FIGURE 21, ITEM 75	155005-06-23	155005-06-23	NSN	18,255,29	18,255,29	18,255,29	
1	HOSE ASSY - HYDRAULIC PRESSURE	FIGURE 21, ITEM 225	155012-12-21	155012-12-21	NSN	18,255,29	18,255,29	18,255,29	

NSN: NO SERIAL NUMBER
NFR: NOT RECORDED
NIV: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 897193
QEC INVENTORY
11-Apr-2019

ESN:	897193
ETT:	18,255.29
ETC:	10,456
TECHNICAL DEPARTMENT VERIFICATION BY:	N. Rogers
RECORDS DEPARTMENT VERIFICATION BY:	H. Lichtenheldt
LOCATION:	JES, Dallas Southwest
OPERATOR:	8-Apr-19
DATE:	11-Apr-19

QTY	DESCRIPTION	PPBM REFERENCE	TYPICAL PART NUMBER	PIN	S/N	TSN	TSO	TS/TSR	REMARKS
0	HYDRAULIC PUMP ADAPTER (VICKERS)	71-00-02	387989						NOT PROVIDED
0	HYDRAULIC PUMP OAD KIT (ABEX)	FIGURE 20, ITEM 105	60827						N/A TO CONFIGURATION
0	IDG TUBE ASSY - RELIEF VALVE	FIGURE 24, ITEM 15	332A2240-4						N/A TO CONFIGURATION
1	12 O'CLOCK STRUT ASSY	FIGURE 13, ITEM 5	332A2371-3	332A2371-3	NSN	18,255.29	18,255.29	18,255.29	
1	12 O'CLOCK STRUT ROD ASSY	FIGURE 13, ITEM 70	315A2060-4	315A2060-4	NSN	18,255.29	18,255.29	18,255.29	
1	CHECK VALVE - HYD DRAIN	FIGURE 21, ITEM 15	BACV10CET2	BACV10CET2	NSN	18,255.29	18,255.29	18,255.29	
1	DUCT ASSY - 5TH	FIGURE 16, ITEM 105	332A2323-14	332A2323-14	M720630	18,255.29	18,255.29	18,255.29	
0	DUCT ASSY - 9TH	FIGURE 27, ITEM 100	332A2321-10	332A2321-10	M534420	18,255.29	18,255.29	18,255.29	
0	DUCT ASSY - CTAI	FIGURE 13, ITEM 10	332A2390-48						NOT PROVIDED
1	DUCT ASSY - FORWARD TAI	FIGURE 16, ITEM 300	332A2322-54	NV	N/V	18,255.29	18,255.29	18,255.29	
1	DUCT ASSY - INTERSECTION MANIFOLD	FIGURE 25, ITEM 100	332A2313-1	332A2313-1	M408660	18,255.29	18,255.29	18,255.29	
1	DUCT ASSY (LOWER, START VALVE)	FIGURE 27, ITEM 250	332A2390-12		N/A	N/R	N/R	0.00	
0	DUCT ASSY (REAR TAI)	FIGURE 18, ITEM 100	332A2326-45						NOT PROVIDED
0	DUCT ASSY (PRSOV)	FIGURE 25, ITEM 250	332A2310-4						NOT PROVIDED
0	DUCT ASSY (UPPER, START VALVE)	FIGURE 21, ITEM 200	150005-06-16						NOT PROVIDED
1	HOSE - HYDRAULIC CASE DRAIN LOWER	FIGURE 21, ITEM 300	150015-20-11	150015-20-11	6823	18,255.29	18,255.29	18,255.29	
1	HOSE ASSY - HYDRAULIC SUPPLY	FIGURE 29, ITEM 5	286A1062-002	286A1062-002	NSN	18,255.29	18,255.29	18,255.29	
1	IDG HARNESS W1062	FIGURE 24, ITEM 100	115096-4	115096-4	3415	18,255.29	18,255.29	18,255.29	
1	IDG HOSE ASSY - INLET	FIGURE 24, ITEM 200	115096-2	115096-2	5088	18,255.29	18,255.29	18,255.29	
1	IDG HOSE ASSY - OUTLET	FIGURE 24, ITEM 150	332A2240-11	332A2240-11	NSN	18,255.29	18,255.29	18,255.29	
1	IDG TUBE ASSY - AOC INLET	FIGURE 24, ITEM 50	332A2240-1	332A2240-1	NSN	18,255.29	18,255.29	18,255.29	
1	IDG TUBE ASSY - AOC OUTLET	FIGURE 22, ITEM 75	762246	762246	5061	18,255.29	18,255.29	18,255.29	
1	IDG OAD ADAPTER	FIGURE 4, ITEM 950	332A2930-61	332A2930-61	NSN	18,255.29	18,255.29	18,255.29	
1	NACELLE BRACKET - LH	FIGURE 6, ITEM 225	332A2930-62	332A2930-62	NSN	18,255.29	18,255.29	18,255.29	
1	NACELLE BRACKET - RH	FIGURE 10, ITEM 100	B700-2	B700-2	NSN	18,255.29	18,255.29	18,255.29	
1	OIL SCUPPER DRAIN HOSE								

NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
NV: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 897193
MVP BAG / STAND INFORMATION
11-Apr-2019

ESN: 897193	
ETT: 18,255:29	LOCATION: JES, Dallas
ETC: 10,456	OPERATOR: Southwest
TECHNICAL DEPARTMENT VERIFICATION BY: N. Rogers	DATE: 8-Apr-19
RECORDS DEPARTMENT VERIFICATION BY: H. Lichtenheldt	DATE: 11-Apr-19

QTY	DESCRIPTION	TYPICAL PART NUMBER	P/N	S/N	REMARKS
1	MVP BAG	856A3700G02	5303-7WL2	5303-7WL2	RED AIR BERLIN BAG
1	STAND BASE	AM-2563-200	D71TRO00005G03	MCC150728-1-4	
1	STAND CRADLE	AM-2811-4800	D71TRO00005G02	MCC150728-1-4	
2	TOW BARS	AM-1803-719	NPN	NSN	
1	STEERING BAR	AM-2811-2011	NPN	NSN	
0	ENGINE STAND MANUAL	N/A			NOT PROVIDED
1	SPANNER WRENCH	34-2321	NPN	NSN	
1	STAND BUMPER	NPN	N/A	N/A	

MVP BAG & STAND INFO

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NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
N/V: PART INSTALLED, NOT VISIBLE

General Engine Info		
Model and type of engine	CFM56-7B24/3	
Current power rating of engine	7B24/3	
EGT Margin of engine deg C	47.1	
Current IAE date	24-1-19	
Current CSN of engine	N/A	
Current CSN of aircraft	N/A	
TSN of Aircraft at last installation:	N/A	
Engine at date:	8-Apr-2019	
Current CSN of engine:	18,255,48	
Current CSN of engine:	10,456	

Aircraft Information		
Aircraft registration:		N/A
Position:		N/A
Current TSN of Aircraft:		N/A
Current CSN of Aircraft:		N/A
TSN of Aircraft at last installation:		N/A
Engine Status		In Storage

Non Limited Parts Information		
Name	Part Number	Serial Number
Shipping Stand Credle	D71TR00005G02	MCC150728-1-4
Shipping Stand Base	D71TR00005G03	MCC150728-1-4

Limiting Part Information			
Power Rating	7B24/3	Limiting Part	Cycles Remaining
	7B24/3	Multiple	9,544
	7B24/3	Multiple	9,544
	7B24/3	Multiple	9,544

Limiting Inspection Information			
Type	Description	Limit	Remaining
Hour Limit	N/A	N/A	N/A
Cycle Limit	2019-0018	17,000	6,544
Date Limit	Engine Preservation	18 Mar 20	345

Last Shop Visit Information			
Time since last HSV	Hours	Cycles	
Time since last HSV	0.00	0	
Last Repair Order	Vendor	Aviation	
Last SV Workscope	Inspection / Part Replacement		
Workmanship Release	8-Apr-19		FAA Form 8130-3

Module Name	Name	Part Number	Serial No	Total Hours	Total Cycles	Cycles Used		Cycles Remaining	
						7B22/3	7B24/3	7B22/3	7B24/3
Fan Rotor	Fan Disk	340-000-420-0	DE 164916	18,255,48	10,456	1,129	3,185	6,142	30,000
Fan Rotor	Fan Booster Spool	340-000-816-0	DD975821	18,255,48	10,456	1,129	3,185	6,142	30,000
Fan Rotor	Fan Shaft	335-006-414-0	DD969864	18,255,48	10,456	1,129	3,185	6,142	30,000
HPC Rotor	HPC Sig 1-2 Spool	1538M31607	GWN0GAPH	18,255,48	10,456	1,129	3,185	6,142	20,000
HPC Rotor	HPC Sig 3 Disk	2116M23P01	XAEK4Z4R	18,255,48	10,456	1,129	3,185	6,142	20,000
HPC Rotor	HPC Pkt Spool	1538M31607	GWN0GAPB	18,255,48	10,456	1,129	3,185	6,142	20,000
HPC Rotor	HPC Pkt Shaft	1538M58P03	GWN0GDA1	18,255,48	10,456	1,129	3,185	6,142	20,000
HPC Rotor	HPC COP Seal	2116M2SP01	GFVE2AC	18,255,48	10,456	1,129	3,185	6,142	20,000
HPT Rotor	HPT Disk	1498M43P07	GWN0G5P	18,255,48	10,456	1,129	3,185	6,142	20,000
HPT Rotor	HPT Front Aresal	2116M2DP02	GWN0GAE1	18,255,48	10,456	1,129	3,185	6,142	20,000
HPT Rotor	HPT Front Shaft	2048M21P03	XAEK5242	18,255,48	10,456	1,129	3,185	6,142	20,000
HPT Rotor	HPT Rear Shaft	1864M9P04	TMT4N651	18,255,48	10,456	1,129	3,185	6,142	20,000
LPT Rotor	LPT Sig 1 Disk	336-001-804-0	PA031547	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Sig 2 Disk	336-001-805-0	PA018926	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Sig 3 Disk	336-002-005-0	PA011961	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Sig 4 Disk	336-002-005-0	PA033946	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Sig 5 Disk	340-001-225-0	DD970307	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Sig Support	340-001-225-0	DD970307	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Rear Frame	340-166-210-0	DD317918	18,255,48	10,456	1,129	3,185	6,142	25,000
LPT Rotor	LPT Case	338-117-407-0	DC7229/3	18,255,48	10,456	1,129	3,185	6,142	25,000

Module Name	Name	Part Number	Serial No	Total Hours	Total Cycles	Cycles Used		Cycles Remaining	
						7B22/3	7B24/3	7B22/3	7B24/3
Fan Rotor	Fan Disk	340-000-420-0	DE 164916	18,255,48	10,456	1,129	3,185	6,142	19,544
Fan Rotor	Fan Booster Spool	340-000-816-0	DD975821	18,255,48	10,456	1,129	3,185	6,142	12,444
Fan Rotor	Fan Shaft	335-006-414-0	DD969864	18,255,48	10,456	1,129	3,185	6,142	19,544
HPC Rotor	HPC Sig 1-2 Spool	1538M31607	GWN0GAPH	18,255,48	10,456	1,129	3,185	6,142	9,544
HPC Rotor	HPC Sig 3 Disk	2116M23P01	XAEK4Z4R	18,255,48	10,456	1,129	3,185	6,142	9,544
HPC Rotor	HPC Pkt Spool	1538M31607	GWN0GAPB	18,255,48	10,456	1,129	3,185	6,142	9,544
HPC Rotor	HPC Pkt Shaft	1538M58P03	GWN0GDA1	18,255,48	10,456	1,129	3,185	6,142	9,544
HPC Rotor	HPC COP Seal	2116M2SP01	GFVE2AC	18,255,48	10,456	1,129	3,185	6,142	9,544
HPT Rotor	HPT Disk	1498M43P07	GWN0G5P	18,255,48	10,456	1,129	3,185	6,142	9,544
HPT Rotor	HPT Front Aresal	2116M2DP02	GWN0GAE1	18,255,48	10,456	1,129	3,185	6,142	9,544
HPT Rotor	HPT Front Shaft	2048M21P03	XAEK5242	18,255,48	10,456	1,129	3,185	6,142	9,544
HPT Rotor	HPT Rear Shaft	1864M9P04	TMT4N651	18,255,48	10,456	1,129	3,185	6,142	9,544
LPT Rotor	LPT Sig 1 Disk	336-001-804-0	PA031547	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Sig 2 Disk	336-001-805-0	PA018926	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Sig 3 Disk	336-002-005-0	PA011961	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Sig 4 Disk	336-002-005-0	PA033946	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Sig 5 Disk	340-001-225-0	DD970307	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Sig Support	340-001-225-0	DD970307	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Rear Frame	340-166-210-0	DD317918	18,255,48	10,456	1,129	3,185	6,142	14,544
LPT Rotor	LPT Case	338-117-407-0	DC7229/3	18,255,48	10,456	1,129	3,185	6,142	14,544

Authorising Signature _____ Date _____

Although the information in this report has been obtained from sources which Willis Lease Finance Corporation (as Servicer) believes to be reliable, any such information may be incomplete or condensed. All data and information included in this report is for information purposes only, and is not intended as official documentation with respect to the purchase of this engine.

ESN: 897193

General Engine info	
Model and type of engine	CFM56-7B24/3
Current power rating of engine	7B24/3
EGT Margin of engine deg C	47.1
EGT Margin value date	21-Mar-19
Current Location	In storage
Engine at date:	8-Apr-2019
Current TSN of engine:	18,255-46
Current CSN of engine:	10,456
Last installation /Shop input:	05-Apr-19
TSN of last installation / shop input:	18,255-48
CSN of last installation / shop input:	10,456

Non Limited Parts Information		
Name	Part Number	Serial No
Shipping Stand Cradle	D71TR00005G02	MCC150728-1-4
Shipping Stand Base	D71TR00005G03	MCC150728-1-4

Aircraft Information	
Aircraft registration:	N/A
Position:	N/A
Current TSN of Aircraft:	N/A
TSN of Aircraft at last installation:	N/A
CSN of Aircraft at last installation:	N/A
Engine Status	In Storage

Engine Comments:	
QEC Kit p/n: QECNG737, s/n: NSN	
EGT Margin noted in deg C at 7B24/3 Thrust rating (best cell) per CFM Redelivery Report dated 6th February 2019	

Limiting Part Information		
Power Rating	Limiting Part	Cycles Remaining
7B24/3	Multiple	9,544
7B24/3	Multiple	9,544
7B26/3	Multiple	9,544

Limiting Inspection Information			
Type	Description	Limit	Remaining
Hour Limit	N/A	N/A	N/A
Cycle Limit	2019-0018	17,000	6,544
Date Limit	Engine Preservation	18 Mar 20	345
Last Shop Visit Information			
Time since last HSV	Hours	Cycles	
Time since last SV	0.00	0	
Last Repair Agency	Vortex Aviation		
Last SV Workscope	Inspection / Part Replacement		
Airworthiness Release	8-Apr-19		FAA Form 8130-3 Dual Release

HPT Blades

Name	Part Number	Serial No	TSN or TSO	CSN or CSO
HPT Blades	2100M96P02	VARIOUS 897193	18255-48	10456

Authorising Signature _____

Date _____

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ESN: 897193

General Engine info		Airframe Information		Limiting Part Information	
Model and type of engine	CFM56-7B24/3	Aircraft registration:	N/A	Power Rating	7B22/3
Current power rating of engine	7B24/3	Position:	N/A	7B22/3	Multiple
EGT Margin of engine deg C	47.1	Current TSN of Aircraft:	N/A	7B24/3	Multiple
EGT Margin value date	21-Mar-19	Current CSN of Aircraft:	N/A	7B26/3	Multiple
Current Location	In storage	TSN of Aircraft at last installation:	N/A		
Engine alt date:	8-Apr-2019	CSN of Aircraft at last installation:	N/A		
Current TSN of engine:	18,255.48	Engine Status	In Storage		
Current CSN of engine:	10,456				
Last installation /shop input:	05-Apr-19	Engine Comments:			
TSN of last installation / shop input:	18,255.48	QEC Kit p/n: QECNG737, s/n: NSN			
CSN of last installation / shop input:	10,456	EGT Margin noted in deg C at 7B24/3 Thrust rating (test cell) per CFM Redelivery Report dated 6th February 2019			
Non Limited Parts Information					
Name	Part Number	Serial Number			
Shipping Stand Cradle	D71TRO0005G02	MCC150728-1-4			
Shipping Stand Base	D71TRO0005G03	MCC150728-1-4			

Module status

Name	INW	Part Number	Serial No	TSN or TSO ESN or CSO
Eng Rails	21	340-035-318-0	DX1288	18255.48
1 & 2 Brg Support Assy	22	340-035-405-0	DX1288	18255.48
Eng Frame	23	340-035-519-0	BX1134	18255.48
HPC Rotor	31	9324M686G05	HPCE50250	10456
HPC Front Stator Assy	32	9324M66G03	FC5G50251	18255.48
HPC Rear Stator Assy	33	9324M67G02	RCSH50046	18255.48
Combustion Assy	41	9325M136G03	CDNJS0129	18255.48
HPT Nozzle Assy	51	9324M69G06	HPNKS0129	18255.48
HPT Rotor	52	9324M616G05	HPTXSD0172	18255.48
HP7/LPT Nozzle Shroud A	53	9324M62G06	HPSTS0220	18255.48
LPT Rotor	54	338-092-318-0	RU7746	18255.48
LPT Shaft Assy	55	340-035-604-0	SX1282	18255.48
LPT Rear Frame Assy	56	340-035-907-0	NX1739	18255.48
PS Bearing Inlet Gearbox / Accessory	61	340-035-705-0	UJ1313	18255.48
Accessory Gearbox Assy	63	340-046-509-0	WZ1269	18255.48

Authorising Signature _____

Date _____

Although the information in this report has been obtained from sources which Willis Lease Finance Corporation (as Servicer) believes to be reliable, any such information may be incomplete or condensed. All data and information included in this report is for information purposes only, and is not intended as official documentation with respect to the purchase of this engine.

Execution Version

Virgin Australia Airlines Engine Sublease Agreement (ESN 897193)

VB LeaseCo Pty Limited
Sublessor

Virgin Australia Airlines Pty Limited
Sublessee

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Our ref 741/80190524

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Virgin Australia Airlines Engine Sublease Agreement

Date	24 May	2019
Parties	VB LeaseCo Pty Limited ABN 29 134 268 741 of 56 Edmondstone Road, Bowen Hills QLD 4006 (Sublessor) Virgin Australia Airlines Pty Limited ABN 36 090 670 965 of 56 Edmondstone Road, Bowen Hills QLD 4006 (Sublessee)	

Background

The parties agree as set out in the Operating part of this agreement, in consideration of, among other things the mutual promises in this agreement.

Operative provisions

1. Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this agreement are set out below:

Aircraft Engine Lease Agreement means the lease agreement in connection with the Engine entered into pursuant to Exhibit A to the GTA which incorporates the terms and conditions of the GTA.

Approved Maintenance Program has the meaning given in the GTA.

Aviation Authority has the meaning given in the GTA.

Business Day means:

- (a) for the purposes of clause 12.4, a day on which banks are open for business in the city where the notice or other communication is received excluding a Saturday, Sunday or public holiday; and
- (b) for all other purposes, a day on which banks are open for business in Brisbane and Sydney excluding a Saturday, Sunday or public holiday.

Certificate of Acceptance means a certificate substantially in the form of Schedule 2.

Controller means in, relation to a corporation or the property of a corporation, a receiver, receiver and manager, trustee, inspector or similar officer is appointed in relation to the corporation or any of its assets.

Engine means the engine more particularly described in Schedule 1 as Engine 897193, and including:

- (a) any other equipment (including QEC) relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;

- (b) the Engine Stand relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;
- (c) any and all parts incorporated or installed in or on such Engine and all parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the terms of the GTA; and
- (d) all records relating to such Engine,

provided that if the context in which the term "Engine" appears does not permit the inclusion of the Engine Stand and/or the records as part of the Engine, then the Engine Stand and/or the records (as applicable) shall not be deemed to be part of the Engine in that particular context.

Engine Stand has the meaning given in the GTA.

Event of Default and **Default** have the meaning given in the GTA.

GTA means the "General Terms Engine Lease Agreement" entered into between the Lessor as "Lessor" and the Sublessor as "Lessee" dated on or about 24 May 2019, as further amended from time to time.

Government Entity has the meaning given in the GTA.

Head Lease means the Aircraft Engine Lease Agreement between the Lessor and the Sublessor in relation to the Engine.

Host Aircraft means the aircraft on which the Engine is installed.

Indemnitee means any person who is indemnified pursuant to the terms of the Head Lease and includes the Tax Indemnitee.

Insurance each insurance required to be effected under clause 14 of the GTA (as incorporated into this agreement by clause 5.4).

Lease Default means a Lease Event of Default or a Potential Lease Event of Default.

Lease Event of Default means any event specified in Schedule 4.

Lease Term has the meaning given in the Aircraft Engine Lease Agreement for the Engine.

Lease Termination Date means the last day of the Lease Term for the Engine.

Lessor means Wells Fargo Trust Company NA.

Material Adverse Effect means a material adverse effect on the Sublessee's ability to perform any of its obligations under any Sublease Document.

Officer in relation to a party to this agreement, a director or a secretary, or a person notified to be an authorised officer, of that party.

Owner Trustee has the meaning given in the GTA.

Permitted Lien has the meaning given in the GTA.

Potential Lease Event of Default means an event which with the giving of notice, lapse of time or fulfilment of any condition, would likely become a Lease Event of Default.

Power means any right, power, authority, discretion or remedy conferred on the Sublessor by the Sublease Documents or any applicable law.

PPSA means the Personal Property Securities Act 2009 (Cth).

Return Condition means the condition described in the return conditions applicable to the Engine as described in the Aircraft Engine Lease Agreement.

Redelivery Location means the place nominated by the Lessor pursuant to clause 18.3(f) of the GTA.

Relevant Currency means the currency in which a payment is required to be made under the Sublease Documents.

Rent means the rent and maintenance reserves payable under clause 3.

Same Day Funds means immediately available and freely transferable funds.

Scheduled Termination Date means the day before the Lease Termination Date.

Security Interest has the meaning given to the term "Lien" in the GTA and includes the definition given to the term "security interest" in the PPSA.

Sublease means the lease of the Engine under and on the terms of this agreement.

Sublease Delivery means the transfer of possession of the Engine to the Sublessee under this Sublease.

Sublease Delivery Date means the date on which Sublease Delivery shall occur, which shall be a Business Day.

Sublease Documents means this agreement.

Sublessor's Security Interest means any Security Interest given by Sublessor over or in respect of the Engine and any Security Interest arising on or relating to or affecting the Engine or any part thereof arising as a result of:

- (a) acts or claims against Sublessor not related to or which do not arise directly or indirectly as a result of the transactions contemplated by or permitted under this agreement and the other Sublease Documents; or
- (b) Taxes for which the Sublessor is responsible and for which Sublessor is not indemnified by Sublessee under the Sublease Documents.

Taxes has the meaning given in the GTA.

Tax Indemnitee has the meaning given in the GTA.

Term means the period commencing on the Sublease Delivery Date and ending on the Termination Date.

Termination Date means the Scheduled Terminated Date or if earlier, the date on which the Lease is terminated under this agreement.

Total Loss has the meaning given in the GTA.

Total Loss Date means the date on which a Total Loss with respect to the Engine shall be deemed to have occurred as described in the definition of "Total Loss" in the GTA.

Total Loss Proceeds has the meaning given in the GTA.

1.2 Interpretation

In this agreement, headings and bold type are for convenience only and do not affect the interpretation of this agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Entity;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to, this agreement and a reference to this agreement includes any attachment, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Entity with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including, but not limited to, a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (o) a covenant or agreement on the part of two or more persons binds them jointly and severally;

- (p) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
- (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (q) references to time are to Brisbane time.

1.3 Inclusive expressions

Specifying anything in this agreement after the words "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Exclusion of implied covenants and terms

- (a) Any terms, rights, powers or remedies which may be implied in this agreement by virtue of or under any law for the time being in force in any State or Territory of Australia or any other place where the Engine may be located at any time during the Term do not apply to, and are not implied in, this agreement except:
- (i) insofar as the same or some part or parts of those terms and Powers are included in the express terms of this agreement; and
 - (ii) insofar as those terms, rights, powers or remedies are not capable of being excluded under any such law.
- (b) The Sublessee hereby expressly agrees and acknowledges that:
- (i) in deciding to enter into this agreement the Sublessee has not relied in any way on the Sublessor's skill or judgment, and that there has not been made, any warranty or representation by or on behalf of the Sublessor, express or implied, with respect to the Engine or the Sublessor's rights to or in respect of the Engine and that the Sublessee has satisfied itself as to title to and the condition and suitability of the Engine and its fitness for the Sublessee's purposes;
 - (ii) the Sublessor has not made any representation, warranty or undertaking about the condition or availability of the Engine, its quality, fitness for purpose or safety;
 - (iii) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties, express or implied, whether arising by virtue of statute or otherwise, as to the condition, suitability, quality, fitness or safety of the Engine is hereby expressly waived, negated and excluded, and the Sublessor does not give any condition or warranty in relation to the Engine;
 - (iv) in the event that this agreement constitutes a supply of goods or services to a consumer as defined in Schedule 2 (Australian Consumer Law) (**ACL**) of the Competition and Consumer Act 2010 (Cth) (**Act**), nothing contained in this agreement excludes, restricts or modifies in relation to this agreement and the goods or services to be supplied hereunder which constitutes a supply of goods or services to a consumer, any condition, warranty, right or remedy which pursuant to the Act applies to this agreement or is conferred on the Sublessee, provided that to the

extent the Act permits the Sublessor to limit its liability for a breach of a condition or warranty implied by the Act, then the Sublessor's liability for such breach including any consequential loss which the Sublessee may sustain or incur shall be limited to:

- A. in the case of goods deemed under the Act to be supplied to a consumer hereunder any one or more of the following:
 - 1) replacement of such goods, or the supply of equivalent goods, or payment of the cost of replacing such goods or acquiring equivalent goods; or
 - 2) the repair of such goods or payment of the cost of having such goods repaired; and
- B. in the case of services deemed under the Act to be supplied to a consumer hereunder:
 - 1) the supplying of such services again; or
 - 2) the payment of the cost of having such services supplied again as the case may require;
- (v) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties which would or might otherwise be implied in this agreement are hereby waived, excluded and negated; and
- (vi) this clause 1.4(b) has been brought to Sublessee's attention.
- (c) The Sublessor may not be able to rely on this clause 1.4 if it is not fair and reasonable to do so under section 68A(2) and (3) of the ACL.

1.5 Subject and subordinate

Each of the Sublessor and the Sublessee agree that, if an Event of Default has occurred and is continuing, this Sublease and all rights of the Sublessee under this Sublease are at all times expressly subject and subordinate to the provisions of the relevant Head Lease and the rights, title and interests of the Owner Trustee and any relevant owner/mortgagee in and to the Engine.

1.6 GTA

The Sublessee acknowledges that it has received from the Sublessor extracts of the GTA and the Aircraft Engine Lease Agreement setting out the provisions of the GTA and the Aircraft Engine Lease Agreement (and all associated definitions) incorporated or referred to in this agreement, including by the operation of clause 5.4.

2. Leasing procedures

2.1 Conditions precedent

- (a) Subject to receipt by the Sublessor of the conditions precedent set out in Schedule 3 in form and substance satisfactory to it, the Sublessor agrees to lease the Engine to the Sublessee on the terms of the Sublease Documents.
- (b) The conditions in this clause 2.1 are for the benefit only of the Sublessor.

2.2 Lease

Subject to this agreement, the Sublessee has agreed to lease the Engine from the Sublessor under this agreement.

2.3 Commencement of leasing

The Sublease commences on the Sublease Delivery Date and, unless terminated earlier in accordance with this agreement continues until the last day of the Term.

2.4 Sublease Delivery

- (a) The Sublessee or its duly authorised representative must execute and deliver to the Sublessor a Certificate of Acceptance immediately upon Sublease Delivery.
- (b) As between the Sublessor and the Sublessee, the execution and delivery of the Certificate of Acceptance by the Sublessee or its duly authorised representative evidences and constitutes irrevocable, final and conclusive acceptance of the Engine by the Sublessee for all purposes of this agreement.

3. Rent

- (a) The Sublessee agrees to pay the Sublessor rent and maintenance reserves (if applicable) for the Engine at such times and in such amounts as are provided for in the Aircraft Engine Lease Agreement and any maintenance reserves (if applicable) shall be dealt with and applied in accordance with the Aircraft Engine Lease Agreement.
- (b) Rent must be paid by the Sublessee to an account of the Sublessor notified by the Sublessor to the Sublessee.

4. Payments

4.1 Payments

All payments by the Sublessee to the Sublessor under this agreement must be made:

- (a) in Same Day Funds;
- (b) in the Relevant Currency;
- (c) not later than 11.00 am (Brisbane time) on the due date; and
- (d) to the Sublessor's account as specified by notice to the Sublessee.

4.2 Amounts payable on demand

If any amount payable by the Sublessee under this agreement is not expressed to be payable on a specified date, that amount is payable by the Sublessee on demand by the Sublessor.

4.3 Payments in gross

All payments which the Sublessee is required to make under this agreement must be:

- (a) without any set-off, counterclaim or condition; and
- (b) without any deduction or withholding for any Taxes or any other reason, unless the Sublessee is required to make a deduction or withholding by applicable law.

4.4 Taxation deduction procedures

If the Sublessee is required to make a deduction or withholding of Taxes from any payment to be made to the Sublessor under this agreement, then:

- (a) the Sublessee must pay the amount deducted or withheld to the appropriate Government Entity as required by applicable law; and
- (b) the Sublessee must use its best endeavours to obtain official receipts or other documentation from that Government Entity and must deliver them to the Sublessor within 2 Business Days after receipt.

5. Representations, warranties and undertakings of the Sublessee

5.1 Representations and warranties

The Sublessee represents and warrants to and for the benefit of the Sublessor that:

- (a) **(registration)** it is a corporation registered (or taken to be registered) and validly existing in the jurisdiction of its incorporation;
- (b) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (c) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (d) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (e) **(binding obligations)** this agreement constitute its legal, valid and binding obligations and, subject to any necessary stamping and registration, are enforceable in accordance with their terms subject to laws generally affecting creditors' rights and to principles of equity;
- (f) **(transaction permitted)** the execution, delivery and performance by it of this agreement will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation binding on it or its assets;
 - (ii) its constitution; or
 - (iii) any Security Interest or agreement which is binding on it;
- (g) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (h) **(solvency)** it is not insolvent or unable to pay its debts as and when they become due and payable;
- (i) **(litigation)** no litigation, arbitration or administrative proceeding is taking place or, to the best of its knowledge, pending or threatened against it which could, if adversely determined, have a Material Adverse Effect;
- (j) **(no Lease Event of Default)** no Lease Event of Default is continuing and, to its knowledge, no material Potential Lease Event of Default is continuing; and

- (k) **(immunity)** in any proceedings taken in Queensland or Australia in relation to any of the Sublease Documents, will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

5.2 Survival and repetition of representations and warranties

The representations and warranties given under this agreement:

- (a) survive the execution of this agreement; and
- (b) other than the representations and warranties in clauses 5.1(e) and 5.1(k), are repeated on each date on which Rent is due and payable with respect to the facts and circumstances then existing.

5.3 Duration of undertakings

The Sublessee shall perform and comply with its undertakings and covenants in this agreement at all times during the Term. All such undertakings and covenants shall, except where expressly otherwise stated, be performed at the expense of the Sublessee.

5.4 Engine undertakings

The Sublessee must comply with, and where applicable, the Sublessee may do the things permitted by, and must not do the things prohibited by, the following provisions of the GTA:

- (a) clause 5 (Compliance with Laws);
- (b) clause 6 (Use and Maintenance);
- (c) clause 7 (Records);
- (d) clause 8 (Modification);
- (e) clause 13 (Inspection);
- (f) clause 11 (General Undertakings);
- (g) clause 14 (Insurance);
- (h) clause 15 (Title to Equipment);
- (i) clause 17 (Subleases; Assignment); and
- (j) clause 18 (Return of Equipment),

in each case as they apply to the Engine or a Host Aircraft, or as the case may be, or the parts included in the Engine as if those provisions and associated definitions in the GTA were set out in this Sublease in full but as if references in those provisions and associated definitions to:

- (i) 'Delivery' were references to Sublease Delivery;
- (ii) 'Indemnitee' included the Sublessor;
- (iii) 'Lease Term' were references to the Term;
- (iv) 'Lessee' were references to the Sublessee;
- (v) 'Lessor' were references to the Sublessor;

- (vi) 'redelivery or return' were references to redelivery of the Aircraft in accordance with clause 9;
- (vii) 'Event of Default' included a Lease Event of Default; and
- (viii) 'this GTA' and 'this Aircraft Engine Lease Agreement' were references to this Sublease,

provided that Sublessor and Sublessee may agree from time to time that Sublessor instead of Sublessee shall be responsible for any insurance, maintenance or repairs, in which event Sublessor shall be responsible for and shall carry out these matters.

5.5 Outgoings, maintenance costs

As between the Sublessor and the Sublessee:

- (a) costs, expenses, charges and other outgoings related to the use and operation of the Engine (including repairs, maintenance storage, transport, housing and servicing);
- (b) licence and registration fees and other amounts of any nature imposed by any Government Entity with respect to the Engine, including the ownership (but only to the extent relating to or arising as a result of the leasing, possession, operation, use or maintenance of the Engine), delivery, leasing, possession, use, operation or return of the Engine;
- (c) rent, fees, charges and other amounts in respect of any premises where the Engine is located from time to time; and
- (d) premiums and other costs and expenses in relation to the Insurances, to the extent relating to the Engine,

shall be paid by Sublessor and/or Sublessee, as the case may be, in accordance with the Aircraft Engine Lease Agreement.

5.6 Inspection

- (a) Sublessee shall at all times during the Term permit any persons (each an **Inspecting Party**) designated by Sublessor in writing upon reasonable prior notice to undertake an external visual inspection of the Engine (without any disassembly), its condition, use, and operation and also inspect and make copies of (where practicably possible) the relevant Approved Maintenance Programme, the AMM, the flight manual, the manuals and mechanical records relating to the Engine, and all other records maintained in connection with the Engine. Sublessee shall also permit any persons designated by Sublessor in writing and/or its authorised agents and representatives to visit and inspect the maintenance and operational facilities effecting the maintenance and operation of any Engine, at such times and as often as Sublessor may reasonably request. All such inspections in respect of the Engine shall (including if such inspection occurs during an during an engine shop visit for the Engine) take place at such times and in such manner as will comply with Sublessee's occupational health and safety and security requirements and provided that:
 - (i) if no Event of Default or Lease Default has occurred and is continuing at such time, Sublessor shall provide reasonable notice of such inspections, shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations and shall only be entitled to request one (1) such inspection in respect of the Engine per calendar year;

- (ii) if an Event of Default is continuing at such time, or if a Lease Default which is not a Lease Event of Default is continuing at such time, Sublessor shall provide reasonable notice of such inspections and shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations; or
 - (iii) if an Event of Default or a Lease Event of Default has occurred and is continuing at such time, Sublessor shall be entitled to inspect at any time on reasonable notice.
- (b) Each such inspection shall be at the sole risk of each Inspecting Party. Any such inspection shall be at no cost to Sublessee unless a Lease Default has occurred and is continuing (or such inspection is being carried out so as to establish that events which gave rise to the occurrence of a Lease Default previously have been remedied to the satisfaction of Sublessor), in which case Sublessee shall reimburse Sublessor for all costs and expenses reasonably incurred in conducting any such inspection in excess of one per calendar year. Neither Sublessor nor any person designated by Sublessor as provided above shall have any duty to make any such inspection and neither Sublessor nor any person designated by Sublessor as provided above shall incur any liability or obligation by reason of making or not making such inspection.

5.7 PPSA

- (a) The Sublessor and Sublessee each agree to do anything (including obtaining consents, signing and producing documents, procuring that documents are completed and signed and supplying information) within its reasonable control and which the Sublessor or the Lessor requests and reasonably considers necessary for the purposes of:
 - (i) ensuring that any Security Interest in relation to the Engine or this agreement is enforceable, perfected and otherwise effective; or
 - (ii) enabling the Lessor to apply for any registration, complete any financing statement or give any notification, in connection with any Security Interest; or
 - (iii) enabling the Lessor to exercise rights in connection with any Security Interest.
- (b) The Sublessor and Sublessee each agrees to cause any financing statements required of it pursuant to this clause 5.7 to be registered at such times as reasonably directed by the Lessor.
- (c) Neither the Lessor nor the Sublessor need give any notice under the PPSA (including a notice of verification statement) unless the notice is required by the PPSA and the requirement to give it cannot be excluded or has not been excluded by this clause 5.7.
- (d) The Sublessor and Sublessee are not required to, and must not without the other party's consent, disclose any information of the kind referred to in section 275(4) of the PPSA unless section 275(7) of the PPSA applies.
- (e) The Sublessee agrees with the Sublessor:
 - (i) that it will not change its name without first giving 14 days prior notice in writing to the Sublessor; and
 - (ii) that it will promptly do anything which the Sublessor or the Lessor may reasonably request to enable the Sublessor or the Lessor to perfect and

maintain perfection of any Security Interest intended to be created by this agreement including providing serial numbers and other details of the Engine required by the Sublessor to register a financing statement in respect of the Engine; and

- (iii) that it waives the right to receive a verification statement under section 148 of the PPSA in respect of any financing statement or any financing change statement registered by the Sublessor in respect of the Engine.
- (f) The terms financing statement, financing change statement, security interest and verification statement which are used in this clause shall have the respective meanings specified in the PPSA.
- (g) Neither the Sublessor nor the Sublessee may do anything which would otherwise be required to be done under this clause 5.7 if to do so would prejudice any security interest of the Lessor which relates to the Engine

6. Loss and Damage

- (a) If a Total Loss occurs prior to delivery of the Engine to the Sublessee, this agreement shall immediately terminate, and except as expressly stated in this agreement neither party will have any further obligation or liability under this agreement
- (b) If a Total Loss occurs after Sublease Delivery, the Sublessee shall on or prior to the earlier of:
 - (i) 30 days after the Total Loss Date; and
 - (ii) the date of receipt of insurance proceeds in respect of that Total Loss,
 pay to the Sublessor all Rent and all other moneys due and payable by the Sublessee under the Sublease Documents but unpaid.
- (c) If a Total Loss of the Engine occurs during the Term, Rent shall cease to be payable in respect of the period after the date on which the amounts described in clause 6(a) are paid in full and on payment of those amounts, this Sublease shall immediately terminate, but without prejudice to the vested or continuing obligations of the Sublessee (as to payment, indemnity or otherwise) under the Sublease Documents and the Sublessor and the Sublessee shall proceed diligently and cooperate fully with each other in the recovery of the Total Loss Proceeds. The parties acknowledge and agree that, as between Sublessor and Sublessee, Sublessor is entitled to, and may retain, all Total Loss Proceeds.

7. Default Termination

7.1 Sublessor's rights upon default

- (a) If a Lease Event of Default has occurred and is continuing the Sublessor at its option may demand that the Sublessee pay to the Sublessor on the date specified in the demand all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) If a Lease Event of Default has occurred and is continuing, the Sublessor shall be entitled (in addition to making any demand under clause 7.1(a)) to:
 - (i) proceed by appropriate court action or actions to enforce performance by the Sublessee of the applicable covenants and terms of this agreement or to recover damages for the breach thereof; or

- (ii) by notice in writing to the Sublessee, terminate this Sublease. Upon such notice to the Sublessee:
 - A. actual or contingent rights of the Sublessee to or in the use of the Engine terminate, but the Sublessee remains liable as provided in this clause 7;
 - B. the Sublessee must pay to the Sublessor and the Sublessor may recover from the Sublessee, any and all damages and expenses which the Sublessor sustains by reason of the occurrence of any such Lease Event of Default or termination, together with the amount of legal fees and such expenses as shall be expended or incurred by the Sublessor in the seizure, storage or rental of the Engine or in the enforcement of any right or privilege hereunder or in any consultation advice or action in connection therewith; and
 - C. the Sublessor may directly or by its agents or contractors take possession of the Engine and for such purpose may enter any premises on which the Engine is located.

7.2 Rights upon termination

If the Sublessor terminates this agreement pursuant to clause 7.1 the Sublessor is entitled to retain all Rent and other moneys previously paid by the Sublessee to the Sublessor under this agreement.

7.3 Exercise of powers

No person dealing with the Sublessor in connection with the exercise by the Sublessor of any Power:

- (a) is bound to enquire whether any Lease Event of Default or Potential Lease Event of Default has occurred or otherwise as to the propriety or regularity of the exercise of such Power; or
- (b) is affected by notice express or otherwise that any such exercise is unnecessary or improper,

and notwithstanding any irregularity or impropriety therein such exercise is, as regards the protection of such person, deemed authorised and is valid and effectual accordingly.

7.4 Remedies cumulative

- (a) The Powers in this clause 7 in favour of the Sublessor are:
 - (i) not exclusive; and
 - (ii) are cumulative and are in addition to all other remedies in its favour existing at law, in equity or in bankruptcy.
- (b) The election at any time to enforce any such Power in no way bars the later enforcement from time to time of any such Power or any other remedies.

7.5 Repudiation of this agreement

It is expressly agreed that the non-occurrence of a Lease Event of Default is an essential and fundamental term of this agreement and the occurrence of such an event will amount to a repudiation by the Sublessee of this agreement. Should the Sublessor terminate this agreement following any such breach, non-observance or non-performance then, without

prejudice to any other right or remedy of the Sublessor contained or implied in this agreement, it is expressly agreed that the Sublessor is entitled to recover from the Sublessee damages for such breach and for the loss of its bargain in addition to the sums referred to in clause 7.1(a).

8. Other termination

8.1 Scheduled termination

- (a) Provided that this Sublease has not otherwise terminated, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the Scheduled Termination Date, pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) Upon payment of the relevant amounts referred to in clause 8.1(a), this Sublease terminates.

8.2 Payment on termination of Head Lease

- (a) In the event that the Head Lease is terminated prior to the Scheduled Termination Date, this Sublease terminates.
- (b) Provided that this Sublease has not otherwise terminated under clause 7.1 or clause 8.1, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the date of termination of this Sublease under clause 9(a), pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.

9. Redelivery

- (a) On the Termination Date (except where a Total Loss has occurred), Sublessee shall redeliver the Engine to Sublessor at the place, and in the condition, specified in the Aircraft Engine Lease Agreement or, if the Termination Date is the Lease Termination Date, at the relevant Redelivery Location in the Redelivery Condition applicable to the Engine.
- (b) Unless otherwise agreed between the Sublessor and the Sublessee:
 - (i) all costs and expenses of such compliance shall be borne by Sublessee; and
 - (ii) if any of the foregoing requirements of this clause 9 are not satisfied at the time of redelivery of the Engine, Sublessee must promptly remedy any deficiency.

10. General indemnity

10.1 General Indemnity

Sublessee agrees at all times, and whether or not the Engine, any part or any of the manuals and technical records are in the possession of Sublessee at such time, to assume full liability for and to indemnify and hold harmless Sublessor on a full indemnity basis, and on demand, from and against all expenses suffered or incurred by, imposed on or asserted against Sublessor relating to or arising directly or indirectly in any manner or for any cause or reason whatsoever out of:

- (a) the Engine, any part or any of the manuals and technical records; or

- (b) the capacity, age, airworthiness, durability, description, specific configuration, design, manufacture, workmanship, materials, construction, inspection, testing, delivery, acceptance, import (including the import of the Engine into Australia), export (including the export of the Engine from Australia at the end of the Term), ownership, registration, deregistration, possession, repossession, control, use or non-use, location, operation, transportation, presence, purchase, leasing, sub-leasing, chartering, insurance, maintenance, repair, refurbishment, condition, replacement, existence, preparation, installation, performance, fitness or satisfactoriness for any particular use or purpose, service, overhaul, modification, change, alteration, substitution, destruction, mechanical failure, loss, damage, removal, storage, re-lease, sale, other disposition, return, transfer, abandonment or re-delivery of or on (as applicable) the Engine, any part or any manuals and technical records; or
- (c) any loss, destruction or damage to any property, any death or injury to any person or any other loss of whatsoever nature suffered by any person to the extent caused by, relating to or arising out of (in each case whether directly or indirectly) any of the matters referred to in clause 10.1(a) or clause 10.1(b) above; or
- (d) the imposition of any Security Interest (other than a Sublessor's Security Interest) on the Engine, any part or any of the manuals and technical records or the incurrence of any liability to refund or pay over any amount as the result of any such Security Interest (other than a Sublessor's Security Interest); or
- (e) any latent or other defects or deficiencies in the Engine or any part, whether or not discoverable, known or unknown, apparent or concealed, exterior or interior; or
- (f) any design, article, component or material in the Engine or any part or the operation or use thereof constituting an infringement of any patent, trademark, copyright or other intellectual property right or any other right whatsoever; or
- (g) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Engine, or in securing the release of the Engine or in connection with and following a Total Loss of the Engine; or
- (h)
 - (i) any default in payment by Sublessee of any sum payable by Sublessee under this agreement or any other Sublease Document when due or any other default by Sublessee in the due and punctual performance of its obligations under this agreement or any other Sublease Document;
 - (ii) any action or work undertaken by, or at the behest of, Sublessor in establishing that such a default has occurred (but only if that action or work results in a default being substantiated); or
 - (iii) any exercise by Sublessor of its rights and remedies under the Sublease Documents or under applicable law, or any action taken by Sublessor to preserve such rights and remedies, following any such breach or default or any Rent or other amount payable by Sublessee under the Sublease Documents being paid or payable other than on its due date; or
- (i) the enforcement of this clause 10 and/or any other indemnity provided by Sublessee for the benefit of Sublessor pursuant to the Sublease Documents; or
- (j) after Sublease Delivery, all expenses suffered or incurred by, imposed on or asserted against Sublessor with respect to the Engine which arise out of or are attributable to any of the events or circumstances described in clause 10.1(a) to 10.1(i) above which occur prior to Sublease Delivery.

10.2 Exceptions to General Indemnity

The general indemnity provided for in clause 10.1 will not extend to any of the following expenses of Sublessor to the extent that such expenses are:

- (a) suffered or incurred as a consequence of the fraud, gross negligence, or wilful misconduct of Sublessor; or
- (b) attributable to the Sublessor's Security Interest; or
- (c) amounts payable by Sublessor to an Indemnitee under the GTA unless Sublessee has expressly agreed to be responsible for any or all such expenses elsewhere in this agreement or any other Sublease Document; or
- (d) caused by any breach by Sublessor of any express provisions of, or the default of Sublessor in its performance of any of its express obligations under, this agreement or any other Sublease Document unless such breach or default occurred as a result of a breach by Sublessee of any of its obligations under the Sublease Documents; or
- (e) caused by any representation or warranty made or deemed to be made by Sublessor under any of the Sublease Documents being materially incorrect at the date when made or deemed to be made; or
- (f) expenses which relate to the Engine which are attributable to any actions of Sublessor or any other events which, in either case, occur after the end of the Term, except to the extent those expenses are attributable to any acts, events or circumstances (not excluded by another paragraph of this clause 10.2 occurring prior to the end of the Term); or
- (g) expenses which Sublessor has expressly agreed to be responsible for under the terms of this agreement or any other Sublease Document; or
- (h) expenses attributable to any storage, re-lease, sale or other disposal of the Engine by Sublessor, unless such storage, re-lease, sale or disposal has resulted from, been caused by or occurs after the occurrence of an Event of Default or Sublessee has expressly agreed to be responsible for any or all such expenses; or
- (i) expenses which constitute ordinary and usual administrative or overhead expenses of Sublessor, except to the extent that the same arise as a result of or in connection with or following the occurrence of an Event of Default or are made expressly the responsibility of Sublessee under the provisions of this agreement or any other Sublease Document; or
- (j) covered by another indemnity provision contained in this agreement or any other Sublease Document and Sublessee has paid such expenses in full pursuant to such other provision; or
- (k) a consequence of, or are greater as a consequence of, the assignment, transfer, disposal or grant of a Security Interest by Sublessor in respect of its interest in the Engine or the Sublease Documents unless such assignment, transfer, disposal or grant of a Security Interest is expressly contemplated by this agreement or another Sublease Document or is in connection with an exercise of remedies following an Event of Default which is continuing; or
- (l) a loss in value of the Engine (except where the loss in value is attributable to a breach by the Sublessee of any Sublease Document and is a loss in respect of which the Sublessor is not entitled to an indemnity or liquidated damages payment under any other provision of a Sublease Document).

10.3 Continuation of Indemnities

The indemnities by Sublessee in favour of Sublessor contained in this clause 10 or any other provision of the Sublease Documents shall continue in full force and effect notwithstanding the termination or expiry of the leasing of the Engine to Sublessee or the termination or expiry of any Sublease Document.

10.4 Primary Obligation

Sublessee shall be obliged to make all payments due from it under this clause 10 and under any other indemnity provided by Sublessee pursuant to the Sublease Documents irrespective of whether Sublessor shall also be indemnified, guaranteed or insured with respect to any such matter by any other person, and Sublessor shall be entitled to proceed directly against Sublessee under this clause 10 or under any other indemnity provided by Sublessee pursuant to the Sublease Documents without first resorting to its rights under such other indemnity, guarantee or insurance.

10.5 Sublessee's Assistance

Sublessee shall provide Sublessor with such information which is in the possession or control of Sublessee, or is otherwise reasonably available to Sublessee, as Sublessor may reasonably request and Sublessee shall otherwise cooperate with Sublessor so as to enable Sublessor to defend any action, suit or proceeding brought against Sublessor in respect of any expense for which Sublessee is responsible under this clause 10, provided that nothing contained in this clause 10 shall be deemed to require Sublessor to contest any expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

11. General

11.1 Without prejudice acceptance of Rent

Acceptance of any payment of Rent by the Sublessor is without prejudice to the exercise by the Sublessor of the rights, powers and remedies conferred upon it under this agreement or any other Power of the Sublessor under this agreement and does not operate as an election by the Sublessor either to exercise or not to exercise any of such rights powers or privileges.

11.2 Non-payment by Sublessee

- (a) If the Sublessee omits or neglects to pay any money or to do or effect anything which the Sublessee has covenanted to pay, do or effect under this agreement and notice of that omission or neglect has been duly given to the Sublessee, then on each and every such occasion the Sublessor may, but is not obligated to, and without prejudice to any other Powers arising from such default, pay money or do or effect such thing by it as if it were the Sublessee.
- (b) For the purpose of an act pursuant to clause 11.2(a) the Sublessor, as if it were the Sublessee and at the expense of the Sublessee, may enter upon any premises where the Engine is located and there remain for the purpose of doing or effecting any such thing.
- (c) The Sublessee must on demand reimburse the Sublessor for any amount paid by it under clause 11.2(a).

11.3 No partnership

- (a) Nothing contained in this agreement creates the relationship of partnership or of principal and agent or of joint venturers between the Sublessor and the Sublessee.

- (b) It is further understood and agreed that neither the method of computation of Rent nor any other provision contained herein nor any acts of the Sublessor and the Sublessee, is to be deemed to create any relationship between them other than the relationship of lessor and lessee upon the terms and conditions only as provided in this agreement.

11.4 Possession and quiet enjoyment

Subject to:

- (a) the Sublessee paying the Rent and duly and punctually observing and performing its covenants, obligations and provisions under this agreement;
- (b) the rights of the Lessor under the Head Lease; and
- (c) the term of this agreement,

the Sublessee may peaceably possess and enjoy the Engine during the Term without any interruption or disturbance from the Sublessor or any other person or persons lawfully claiming by, from or under the Sublessor.

11.5 Title

Save for any right or interest provided for in this agreement or by operation of law, the Sublessee has no interest in the Engine other than as bailee.

11.6 Reinstatement of Rights

- (a) Under law relating to liquidation, administration, insolvency or the protection of creditors, a person may claim that a transaction (including a payment) in connection with the Rent is void or voidable. If a claim is made and upheld, conceded or compromised, then the Sublessor is immediately entitled as against the Sublessee to the rights in respect of the Rent to which it was entitled immediately before the transaction.
- (b) The Sublessee's obligations under this clause are continuing obligations, independent of the Sublessee's other obligations under this agreement and continue after this agreement end.

12. Miscellaneous

12.1 No derogation

Any rights or remedies given to a party in this agreement are additional to and not in derogation of any other rights or remedies of that party conferred or implied by law.

12.2 Binding effect

This agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.

12.3 Assignment

- (a) The Sublessee may not assign, transfer, grant an Security Interest over or otherwise deal with its rights or obligations or interests under this agreement except with the prior consent of the Sublessor.
- (b) The Sublessor may assign, transfer, grant an Security Interest over or otherwise deal with its rights under this agreement.

- (c) If the Sublessor transfers or assigns any of its rights or obligations under this agreement, the Sublessee is not required to pay any net increase in the amount of costs, Taxes, fees or charges which are a consequence of the transfer or assignment.

12.4 Notices

- (a) Any notice or other communication including any request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English addressed as shown below:
- A. if to the Sublessor:
- Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- B. if to the Sublessee:
- Address: 56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- or as specified to the sender by any party by notice;
- (ii) where the sender is a company, must be signed by an Officer or under the common seal of the sender;
- (iii) is regarded as being given by the sender and received by the addressee:
- A. if by delivery in person, when delivered to the addressee;
- B. if by post, on delivery to the addressee; or
- C. if by email communication, on the electronic communication entering a system outside the control of the sender, or the first of those systems where the electronic communication enters successively 2 or more systems,,
- but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day; and
- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 12.4(a)(iii) and informs the sender that it is not legible.

- (c) In this clause 12.4, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or any person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

12.5 Governing law and jurisdiction

- (a) This agreement is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Queensland.
- (c) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each party irrevocably waives any immunity in respect of its obligations under this agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

12.6 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of this agreement, or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of this agreement, which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Unless application is mandatory by law, no statute, proclamation, order, regulation, ordinance or moratorium, present or future, applies to this agreement so as to abrogate, extinguish, impair, diminish, fetter, delay or otherwise prejudicially affect any Powers given to or accruing to any party or the covenants or provisions of this agreement or affects, prejudices or abridges any of the rights, remedies and powers of any party, statutory or otherwise.

12.7 No amendment

Other than as contemplated by this agreement, this agreement may not be amended or varied except in writing signed by the parties.

12.8 Waivers

- (a) Waiver of any right arising from a breach of this agreement or of any Power arising upon default under this agreement, or upon the occurrence of a Lease Event of Default must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
- (i) a right arising from a breach of this agreement, or the occurrence of a Lease Event of Default; or
 - (ii) a Power created or arising upon default under this agreement, or upon the occurrence of a Lease Event of Default,
 - (iii) does not result in a waiver of that right or Power.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a Power arising from a breach of this agreement or on a default under this agreement, or on

the occurrence of a Lease Event of Default as constituting a waiver of that right or Power.

- (d) A party may not rely on any conduct of another party as a defence to exercise of a Power by that other party.
- (e) No waiver by one party of a breach of any covenant, obligation or provision in this agreement operates as a waiver of another breach of the same or any covenant, obligation or provision in this agreement.
- (f) This clause may not itself be waived except by writing.

12.9 Counterparts

This agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument, and either of the parties may execute this agreement by signing any such counterpart.

12.10 Non-revocation

Each of the undermentioned attorneys respectively declares that the attorney has not received notice of revocation of the power of attorney under which the attorney has executed this agreement.

Schedule 1 - Engine

Engine Type	Manufacturer	Engine Model	Serial Number
CFM56-7B	CFM International	CFM56-7B24/3	897193

Schedule 2 - Form of Certificate of Acceptance

We refer to the Engine Sublease Agreement (**Sublease**) dated *[insert date]* relating to the engine described below between **VB LeaseCo Pty Limited (Sublessor)** and **Virgin Australia Airlines Pty Limited (Sublessee)**.

This acceptance certificate is executed by the Sublessor and the Sublessee to confirm that on the date of this acceptance certificate at *[insert location]* each of the following described engines (each an **Engine**) was delivered by the Sublessor to the Sublessee and was accepted by the Sublessee subject to the provisions of the Sublease Documents.

Manufacturer:	Model	MSN

The Sublease Documents are hereby confirmed by the parties hereto:

The terms used in this acceptance certificate will have the same meaning as in the Sublease.

The Sublessee hereby confirms that:

1. the Engine has been examined by an authorised representative of the Sublessee and that such examination shows that the Engine was plainly and distinctly marked with the manufacturer's serial number set forth above;
2. the Engine was duly accepted by the Sublessee for leasing under the Sublease Documents;
3. the Engine became subject to and governed by the provisions of the Sublease Documents;
4. the Sublessee became obliged to pay to the Sublessor the Rent provided for in the Sublease Documents;
5. the Engine is insured in accordance with the Sublease Documents; and
6. no Total Loss has occurred in respect of the Engine.

This acceptance certificate is intended to be delivered by the Sublessee to the Sublessor in [].

IN WITNESS WHEREOF, the Sublessor and the Sublessee have hereunto set their hands the day and year first above written.

Schedule 3 - Conditions precedent

1. An original of each Sublease Document, duly executed by all parties to it.
2. Satisfactory registrations and searches of the Personal Property Securities Register.
3. A copy of a copy of a power of attorney granted by the Sublessee, authorising execution of the Sublease Documents by the Sublessee.

Schedule 4 - Lease Events of Default

It is a Lease Event of Default, whether or not it is within the control of the Sublessee, if:

1. **(failure to pay)**: the Sublessee fails to pay any amount when due and payable by it under the Sublease Documents, and the Sublessee does not remedy the failure within 3 Business Days (in the case of a scheduled payment) or 5 Business Days (in the case of a non-scheduled payment) after receipt by the Sublessee of a notice from the Sublessor specifying the failure;
2. **(other failure)**: the Sublessee fails to perform any other undertaking or obligation of it under any Sublease Document and the Sublessee does not remedy the failure within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
3. **(misrepresentation)**: any representation or warranty or statement of the Sublessee under a Sublease Document is incorrect or misleading when made or repeated and the circumstances giving rise to that representation, warranty or statement being incorrect or misleading are not remedied within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
4. **(cross default)**: any Indebtedness of the Sublessee in an amount in excess of \$25,000,000 (or its equivalent in another currency) is not paid when due (after taking into account any applicable grace period);
5. **(Security Interest)**: any Security Interest securing an amount exceeding \$25,000,000 (or its equivalent in another currency) is enforced against an asset of the Sublessee;
6. **(judgment)**: a judgment in an amount exceeding \$25,000,000 (or its equivalent in another currency) is obtained against the Sublessee and is not stayed, set aside or satisfied within 30 days;
7. **(execution)**: a distress, attachment, execution or other process of a Government Entity is issued against, levied or entered upon an asset of the Sublessee in an amount exceeding \$25,000,000 (or its equivalent in another currency) and is not set aside or satisfied within 30 days;
8. **(Controller)**: a Controller is appointed to the Sublessee or over an asset or assets of the Sublessee with an aggregate value exceeding \$25,000,000;
9. **(suspends payment)**: the Sublessee suspends payment of its debts generally;
10. **(insolvency)**: the Sublessee is, or under legislation is presumed or taken to be, insolvent (other than as a result of a failure to pay a debt or claim the subject of a good faith dispute in which event this Event of Default is only taken to have occurred if the dispute is not set aside or dismissed within 30 days of being commenced; or
11. **(arrangements)**: the Sublessee enters into or resolves to enter into composition, assignment or arrangement with any creditor of Sublessee, otherwise than for the purpose of a solvent amalgamation or reconstruction; or
12. **(ceasing business)**: the Sublessee ceases to carry on business; or
13. **(Insurances)**: the Sublessee does, or omits to do, anything which renders an Insurance ineffective.

Signed as an agreement.

Sublessor

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019

in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Sublessee

Signed for and on behalf of **Virgin Australia Airlines Pty Limited (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019

in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Dated 24 May 2019

**VB Lease Co Pty Ltd
as Assignor**

and

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity but solely as owner trustee
as Assignee**

**SUBLEASE SECURITY ASSIGNMENT
relating to One (1) CFM International Inc CFM56-7B Engine with
ESN 897193**

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THIS DEED OF SECURITY ASSIGNMENT is made on 24 May **2019**
BETWEEN:

- (1) **VB LeaseCo Pty Ltd**, a company incorporated and existing under the applicable of Australia, whose registered office is at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia (the "**Assignor**"); and
- (2) **WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION**, not in its individual capacity but solely as owner trustee (the "**Assignee**").

WHEREAS:

- (A) By an aircraft engine lease agreement dated 24 May 2019 (the "**Lease Agreement**") and made between the Assignee as lessor and the Assignor as lessee, the Assignee agreed to lease to the Assignor and the Assignor agreed to lease from Assignee one (1) Engine for the period and upon the terms and conditions therein contained.
- (B) By a sub-lease agreement dated 24 May 2019 (the "**Sublease Agreement**") and made between the Assignor as sublessor and Virgin Australia Airlines Pty Limited (the "**Sublessee**") as sublessee, the Assignor agreed to sublease to the Sublessee and the Sublessee agreed to sublease the Engine for the period and upon the terms and conditions therein contained.
- (C) The Assignor has agreed to enter into this Assignment as security for its obligations under the Lease Agreement.

THIS ASSIGNMENT WITNESSES as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Assignment words and expressions defined in the Lease Agreement (whether defined therein or incorporated by reference to another agreement) shall bear the same meanings unless otherwise defined herein and the following words and expressions have the following meanings, in each case unless the context otherwise required:

"Assigned Property" means all of the Assignor's present and future right, title and interest in and to the Sublease Agreement, including without limitation, (i) all the Assignor's rights, title, interest, benefits and claims under or pursuant to the Sublease Agreement howsoever and whensoever the same may arise or be or become exercisable or capable of being made, (ii) all payments due under the Sublease Agreement and all other rights of the Assignor to receive monies thereunder or pursuant thereto, (iii) the right to perform under the Sublease Agreement and to compel performance and otherwise exercise all rights and remedies under the Sublease Agreement, (iv) all claims, rights and remedies of the Assignor arising out of or in connection with a breach of or default under or in connection with the Sublease Agreement including all damages and compensation payable for or in respect thereof, (v) all rights to give and receive notices, reports, requests and consents, to make demands, to exercise discretions, options and elections under the Sublease Agreement and to take all other action thereunder, pursuant thereto or in connection therewith and (vi) to the extent not included in the foregoing, all proceeds of any and all of the foregoing (but does not include the Excluded Property).

"Engine" means the CFM International Inc CFM56-7B model aircraft engine bearing manufacturer's serial number 897193 as more fully described in the Lease Agreement.

"Excluded Property" means each and every amount paid or payable to the Assignor under or pursuant to the Sublease Agreement by way of or in satisfaction of an indemnity payment or claim personal to or for the direct benefit of the Assignor and/or any of its directors, officers, servants, agents and/or employees and which is not stated or intended pursuant to the Lease Agreement to fund any amount paid or payable by the Assignor under the Lease Agreement and any claims, rights, benefits, remedies and/or compensation in respect thereof.

"Secured Obligations" means all monies, liabilities and obligations whatsoever which are now or at any time hereafter may be due owing or payable by Assignor to Assignee pursuant to the Lease Agreement.

- 1.2 Clause headings and the table of contents are inserted for convenience of reference only, have no legal effect and shall be ignored in the interpretation of this Assignment.
- 1.3 In this Assignment, unless a contrary indication appears:
- (a) references to clauses and the Schedules are to be construed as references to the clauses of, and the Schedules to, this Assignment and references to this Assignment include the Schedules;
 - (b) references to (or to any specified provision of) this Assignment or any other document shall include this Assignment, that document or the relevant provision as it may from time to time be amended but so that the above is without prejudice to any requirement in any relevant document that the prior consent of any party to such relevant document be obtained and references herein to the "Lease Agreement" shall (unless otherwise specified in this Assignment) be deemed to include any amendment, supplement and novation thereof as the parties thereto may agree from time to time;
 - (c) a reference to an **"amendment"** includes a supplement, novation, restatement or re-enactment and **"amended"** will be construed accordingly;
 - (d) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;
 - (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated association or body of persons and any Government Entity, whether or not having separate legal personality and references to any party shall be construed so as to include the successors, permitted assignees and permitted transferees of the relevant party;
 - (f) references to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation;
 - (g) an Event of Default is **"continuing"** if it has not been remedied or waived;
 - (h) a reference to an **"approval"** shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority; and
 - (i) a reference to **"including"** shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

2 Representations and Warranties

Assignor hereby represents and warrants to the Assignee that:

- (a) Assignor has the full power and authority and legal right to execute, deliver and perform the terms of this Assignment and such execution, delivery and performance is duly authorised by all necessary corporate action of the Assignor (and such authority has not be altered, revoked or rescinded) and this Assignment constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms;

- (b) Sublease constitutes valid and binding obligations of the Assignor and is in full force and effect and has not been varied or modified in any way or cancelled and neither the Assignor nor (so far as Assignor is actually aware) the relevant Sublessee are in default thereunder nor has any Casualty Event occurred with respect to the Engine; and
- (c) Assignor has not prior to the execution of this Assignment, assigned, pledged, charged or otherwise encumbered the Assigned Property to or in favour of any person other than the Assignee.

3 Security Assignment.

- 3.1 To secure the due and punctual observance, performance and discharge of Secured Obligations, Assignor hereby assigns and agrees to assign the Assigned Property to the Assignee provided that the Assignor shall keep the Assignee fully and effectually indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Assignee by reason of the failure of the Assignor to perform any of its obligations pursuant to the Sublease and provided further that any or all monies and rights comprising the Assigned Property shall be payable to the Assignor and performed in accordance with the provisions regulating payment and performance thereof in the Sublease until such time as an Event of Default shall occur and be continuing under the Lease Agreement and the Assignee shall direct to the contrary, whereupon the Assignor shall forthwith, and the Assignee may, at any time thereafter, instruct the persons from whom such monies are then payable to pay the same to the Assignee or as it may direct.
- 3.2 To the extent that any of the Assigned Property is not at any time assigned pursuant to this Clause 3.1, the Assignor with full title guarantee, hereby by way of first fixed charge, charges and agrees to charge to, and agrees to create in favour of, the Assignee a general encumbrance in and over the Assigned Property to the fullest extent permitted by applicable law.
- 3.3 Any amount received by the Assignee pursuant to this Assignment shall be applied in discharging any sums then due and owing which are secured by this Assignment.
- 3.4 This security is in addition to, and shall not be merged in, or in any way prejudice, any other security interest, document or right which the Assignee may now or at any time hereafter hold or have.
- 3.5 The powers which this Assignment confers on the Assignee are cumulative, without prejudice to its powers under the general law and may be exercised as often as the Assignee thinks appropriate.
- 3.6 Upon payment or discharge of all of the Secured Obligations to the satisfaction of the Assignee, the Assignee, at no cost to Assignee, agrees to reassign to the Assignor all right, title, benefit and interest in the Assigned Property, without recourse or warranty, and execute and deliver to the Assignor such instrument as shall be reasonably required by the Assignor to evidence the satisfaction, release and discharge of this Assignment and the encumbrances created hereby, to release and discharge the Assigned Property, freed and discharged from the provisions herein contained and release of the Assignor from its covenants herein contained; provided that this Assignment shall be reinstated if at any time payment and performance of the Secured Obligations, or any part thereof, are, pursuant to applicable law, rescinded or reduced in amount or must otherwise be restored or returned by Assignee, whether as a "voidable preference", "fraudulent preference", "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made.

4 Notice of Assignment.

- 4.1 Assignor shall on the Sublease Delivery Date (as defined in the Sublease) give written notice of assignment to the Sublessee in the form substantially set out in Schedule 1 (*Form of Notice of Assignment to Sublessee*) of this Assignment and shall procure that the Sublessee executes and delivers to the Assignee an acknowledgement of assignment in the form substantially set out in Schedule 2 (*Form of Acknowledgement of Assignment from the Sublessee*) of this Assignment.
- 4.2 From time to time after the execution of this Assignment, the Assignor shall deliver to the Assignee evidence, in form and substance satisfactory to the Assignee that this Assignment has been delivered to and filed with all relevant authorities in Australia of the charges created or the security interests constituted by the Assignor pursuant to this Assignment.

5 Covenants.

Assignor hereby covenants with the Assignee that:

- (a) it will do or permit to be done each and every act or thing, in each case at no cost to Assignee, which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights in relation to the Assigned Property and under this Assignment;
- (b) it will not transfer, assign, sell, dispose of or otherwise alienate, nor will it create or permit to exist any mortgage, charge, pledge lien or other security interest whatsoever, howsoever created or arising, over any of its rights, title, benefit or interest under the Assigned Property; and
- (c) following the occurrence of an Event of Default which is continuing under the Lease Agreement the Assignor will not without the prior written consent of the Assignee, not to be unreasonably withheld or delayed, amend or modify any provision of the Sublease which would in any way be prejudicial to the Assignee's rights or agree or purport to do so.

6 Assignor Acknowledgements.

It is agreed that notwithstanding the provisions of this Assignment:

- (a) Assignor shall at all times remain liable to perform all the duties and obligations of the Assignor in relation to the Assigned Property to the same extent as if this Assignment had not been executed;
- (b) the exercise by Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to each Sub-Lessee under the Sub-Lease except to the extent that such exercise by the Assignee shall constitute performance of such duties and obligations;
- (c) Assignee shall not have any obligation or liability under the Assigned Property by reason of, or arising out of, this Assignment or be obliged to perform any of the obligations or duties of the Assignor under the Assigned Property or to make any payment or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder;
- (d) for so long as no Event of Default shall have occurred and be continuing under the Lease Agreement, the Assignor shall continue to be entitled to exercise its rights and powers under the Sublease but at any time following the occurrence and during the continuance of an Event of Default under the Lease Agreement Assignee shall be entitled to notify the Sublessee that the Assignee's rights as assignee have become exercisable, and after the delivery of such notice, during the continuance of such Event of Default, all such rights and powers shall be exercisable only by the Assignee;

- (e) Assignee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment made under the Assigned Property or received by it hereunder or to make any claim or take any other action to collect any monies or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee shall be entitled;
- (f) Assignee shall not be responsible in any way whatsoever in the event that the exercise by the Assignor of any of its rights or powers under the Assigned Property may be adjudged improper or to constitute a breach or repudiation of the Assigned Property by the Assignor; and
- (g) in the event of any circumstances whereby further performance of the Sublease becomes impossible or unlawful or is otherwise frustrated, such impossibility, unlawfulness or frustration shall not affect the validity of any payments already received by the Assignee pursuant to this Assignment.

7 Power of Attorney.

As security for the performance of the Secured Obligations and for conferring on the Assignee the benefit of the rights expressed to be conferred under this Assignment, the Assignor irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney with full power (in the name of the Assignor or otherwise) to carry out any of the Assignor's obligations under this Assignment, to ask, require, demand, receive, compound and give acquittance for any and all monies and advises for monies due or to become due, under or arising out of, the Sublease or the Assigned Property, to enforce any provision thereof, to give valid receipts and discharges, to endorse any cheques or other instalments or orders in connection therewith, and generally to file any claims or take any action or institute any proceedings which may seem necessary or advisable to the Assignee, for the purpose of putting into effect the intent of this Assignment. The powers conferred on the Assignee by this Clause shall only be exercisable by the Assignee following the occurrence and during the continuance of an Event of Default in payment or discharge of the Secured Obligations, but no party dealing with the Assignee as such attorney shall be bound to enquire as to whether this condition has in fact been satisfied.

8 Application of Proceeds.

If any sum paid or recovered in respect of the liabilities of the Assignor under this Assignment is less than the amount then due, the Assignee may apply that sum in accordance with the provisions of the Lease Agreement.

9 Continuing Security.

The security hereby constituted shall be a continuing security and shall not be discharged by reason of any matter which would otherwise discharge the Assignor from its obligations hereunder including without limitation, any variation of or amendment to Lease Agreement, except as provided for in Clause 3.6 above.

10 Further Assurance.

Assignor agrees at any time and from time to time, upon the request of the Assignee, to execute and deliver promptly and duly to the Assignee any and all such further instruments and documents which the Assignee may reasonably require, or which are required by law, for obtaining the full benefits of this Assignment and the Assigned Property and of the rights and powers herein granted.

11 Compliance.

If Assignor fails to comply with any provision of this Assignment, the Assignee may, without being in any way obliged to do so, or responsible for so doing and without prejudice to its ability

to treat that non-compliance as a default by the Assignor in the payment or discharge of any of the Secured Obligations effect compliance on the Assignor's behalf, whereupon the Assignor will become liable to pay immediately on receipt of written demand therefor any sums reasonably expended by the Assignee together with all reasonable costs and expenses (including reasonable legal costs) in connection therewith, together with interest, at the Post-Default Rate (without deduction, both after and before judgment) from the date of the Assignee's expenditure until payment.

12 Delays; Waivers; Rights Cumulative

No failure to exercise, and no delay on the part of the Assignee in exercising, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude the further exercise thereof. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13 Notices.

- 13.1 Any notice or other communication to be given under or for the purposes of this Assignment shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post, reputable courier or facsimile (subject, in the case of facsimile transmission, to the sender having posted a copy of the facsimile transmission to the notice address of the recipient on the date of transmission (but without prejudice to Clause 13.3)) to the relevant person at the following address or facsimile number (or such other address or facsimile number) as that person may have designated in writing from time to time to the person giving the notice):

Assignee:	Address:	299 So. Main Street, 5th Floor Salt Lake City, UT 84111 U.S.A. MAC: U1228-051 Attn: Corporate Trust Lease Group Email: ctsleasecompliance@wellsfargo.com
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With a Copy to:
Willis Lease Finance Corporation, as Servicer
60 East Sir Francis Drake Blvd., Suite 209
Larkspur, CA 94939 U.S.A.
Attn: General Counsel, Email: dpoulakidas@willislease.com

Assignor:	Address:	c/- Virgin Australia Airlines Pty Limited Virgin Village 56 Edmondstone Road, Bowen Hills, Qld 4006, Australia Attention: Steven Fouracre, Group Treasurer Email: Steven.fouracre@virginaustralia.com with a copy to: treasury.operations@virginaustralia.com
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- 13.2 Any such notice or other communication shall be deemed to have been received by the recipient:
- (a) in the case of a letter which is hand delivered or delivered via courier, when actually delivered and, in the case of a letter which is sent by registered post, on the tenth day after posting (or on actual receipt if earlier); or
 - (b) in the case of transmission by facsimile, if transmitted during normal business hours in the place of receipt, at the time of transmission, and otherwise, when normal business hours next begin in the place of receipt.
- 13.3 Each person making a communication under this Assignment by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Assignment.

13.4 All communications and documents delivered pursuant to or otherwise relating to this Assignment shall either be in English or accompanied by a certified English translation prepared by a translator approved by the Assignee.

14 Partial Invalidity.

If at any time any one or more of the provisions of this Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15 Governing Law and Jurisdiction.

15.1 This Assignment is governed by English law without regard to any conflict of laws or rules which might result in the application of the law of another jurisdiction.

15.2 The Assignee and the Assignor irrevocably agree that the provisions set out in Section 26 of the GTA shall apply to this Assignment as if the same are set out herein *mutatis mutandis*.

15.3 Third Party Rights

(a) Unless expressly provided to the contrary in this Assignment and without prejudice to the interests of any assignee or any beneficiary of any assignment in the Assigned Property, no term of this Assignment is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Assignment.

(b) Notwithstanding any term of this Assignment, as between the Assignor and the Assignee, the consent of a third party is not required for any assignment, novation or other disposal of all or any of their respective rights or obligations, variation (including any release or compromise of any liability hereunder) or termination or discharge of this Assignment in accordance with the terms herein.

16 Miscellaneous.

16.1 Any settlement or discharge between the Assignee on the one hand and the Assignor and/or any other person on the other hand shall be conditional upon no payment to the Assignee by the Assignor or such other person forming part of the Secured Obligations being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.

16.2 This Assignment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which taken together shall constitute one and the same instrument.

16.3 This Assignment shall be binding upon and enure to the benefit of each of the parties hereto and its successors, permitted assigns and permitted transferees.

16.4 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Assignment.

THIS ASSIGNMENT HAS BEEN EXECUTED AS A DEED, AND IT HAS BEEN DELIVERED ON THE DATE STATED AT THE BEGINNING OF THIS ASSIGNMENT.

Schedule 1
Form of Notice of Assignment to Sublessee

From: Wells Fargo Trust Company, National Association
not in its individual capacity but solely as owner trustee (the "**Lessor**")
VB Lease Co. Pty Ltd the "**Lessee**")

To: _____ (the "**Sublessee**")

Date: _____

Dear Sirs,

One (1) [___] bearing manufacturer's serial number [___] (the "Engine")

We refer to:

- (a) the aircraft engine lease agreement dated _____ 2019 between [___] (the **Lessor**) and VB Lease Co Pty Ltd (the "**Lessee**") relating to the Engine (the "**Lease Agreement**");
- (b) the sublease agreement dated _____ 2019 between the Lessee and the Sublessee relating to the Engine (the "**Sublease Agreement**"); and
- (c) the sublease security assignment dated _____ 2019 between the Lessor (as assignee) and the Lessee (as assignor), pursuant to which the Lessee assigned by way of security to the Lessor certain rights in relation to the Sublease Agreement (the "**Assignment**").

- 1 Unless otherwise defined herein, terms and expressions defined in the Lease Agreement shall have the same meanings when used in this Notice.
- 2 We hereby give you notice that, pursuant to the Assignment, the Lessee has assigned absolutely by way of security to the Lessor all of its right, title and interest (present, future, actual and contingent) in and to the Assigned Property (as defined in the Assignment) (which includes the Sublease Agreement).
- 3 After receipt by you from the Lessor of a notice to the effect that an Event of Default has occurred and is continuing under the Lease Agreement:
 - (a) the Lessor shall be entitled to enforce all or any of the Lessee's rights in respect of the Assigned Property (as defined in the Assignment) and you shall comply with the instructions of the Lessor in relation thereto to the exclusion of the Lessee; and
 - (b) all monies that may be payable by you under the Sublease Agreement forming part of the Assigned Property (as defined in the Assignment) shall be paid as the Lessor may direct.
- 4 Sublessee may be entitled to rely on such notice without the need to make further enquiries and shall have no liability to the Lessee for not making a payment or performing any obligation under the Sublease Agreement, so long as the Sublessee acts in accordance with the directions contained in such notice from the Lessor.
- 5 Each of the Lessee and the Lessor hereby acknowledges and confirms that, to the extent that payments are received by, or obligations are performed in favour of, the Lessor pursuant to this notice, such payment or performance shall operate to discharge pro tanto the obligations of the Sublessee under the Sublease Agreement.
- 6 Nothing herein or by virtue of the Assignment shall create or impose or be deemed as having created or imposed on you any increased or additional obligation or liabilities under the

Sublease Agreement or shall limit or waive or deemed as having limited or waived any of your rights or remedies under the Sublease Agreement.

- 7 This notice and the instructions contained in this Notice be amended or revoked without the written consent of the Lessor and the Lessee.
- 8 This notice and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.
- 9 Please acknowledge receipt of this notice and undertake to make payment and performance as aforesaid by signing the enclosed acknowledgement of assignment and returning one copy to each the Lessor and the Lessee.

Yours faithfully
[]
as Lessor

VB Lease Co. Pty Ltd.
as Lessee

By: _____

By: _____

Title: _____

Title: _____

Schedule 2
Form of Acknowledgement of Assignment from the Sublessee

Dear Sirs

One (1) [___] bearing manufacturer's serial number [___] (the "Engine")

1. We acknowledge receipt of a Notice of Assignment dated _____, _____ (the "**Assignment Notice**") relating to an assignment (the "**Assignment**") between VB LeaseCo Pty Ltd (the "**Assignor**") and Wells Fargo Trust Company, not in individual capacity but solely as owner trustee, as assignee.
2. We acknowledge that the Assignment is effective to confer on you all the rights, title and interest of the Assignor under and as defined in the Assignment.
3. Unless otherwise defined herein, terms and expressions defined in the Notice shall have the same meanings when used in this Acknowledgement.
4. This Acknowledgement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.

Yours faithfully

as Sub-Lessee

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** in the presence of:

Signature of witness


Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Lease Finance Corporation** by its authorised signatory in the presence of:



Signature of witness

Coryne Van Der Torren

Full name of witness



Signature of authorised signatory

J. Brent Allen
Vice President


Full name of authorised signatory

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor


Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Lease Finance Corporation** by its authorised signatory in the presence of:

Signature of witness

Full name of witness

Signature of authorised signatory

Full name of authorised signatory

Guarantee Confirmation

Wells Fargo Trust Company, National Association,
as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
MAC: U1228-051

Attn: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com
Telephone No.: +1 801-246-6000

With a copy to Beneficiary:
Willis Engine Structured Trust III
60 East Sir Francis Drake Blvd., Suite 209,
Larkspur, CA USA
Attn: General Counsel

24 May 2019

Dear Sirs

Guarantee confirmation

We refer to:


- 1. the Guarantee and Indemnity (**Guarantee and Indemnity**) between Virgin Australia Airlines Pty Limited (as **Guarantor**), Wells Fargo Trust Company, National Association as Owner Trustee (as **Lessor**) and VB LeaseCo Pty Ltd (as **Lessee**); and
- 2. the "General Terms Engine Lease Agreement" between the Lessor as "Lessor" and the Lessee as "Lessee" dated on or about **24** May 2019, as further amended from time to time (**GTA**); and
- 3. the Aircraft Engine Lease Agreement between the Lessor (as lessor) and the Lessee (as lessee) entered into pursuant to the GTA in respect of the following Engine CFM56-7B24/3, ESN 897193 (**Engine**) dated **24** May 2019 (the **Lease**).

This is a Guarantee Confirmation as contemplated by the Guarantee and Indemnity.

By executing this Guarantee Confirmation we confirm that the Lease is a "Lease" for all purposes of the Guarantee and Indemnity and that the Engine is an "Engine" for all purposes of the Guarantee and Indemnity, and that all of the obligations of the Guarantor under the Guarantee and Indemnity apply to the Engine and the Lease.

Executed as a deed.

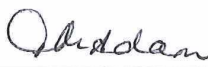
Signed, sealed and delivered for and on behalf of **Virgin Australia Airlines Pty Ltd (with Australian Business Number 36 090 670 965)** in the presence of:



Signature of witness

BILLY MAYBERY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

EQUIPMENT DELIVERY RECEIPT

FROM: VB LeaseCo Pty Ltd

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee

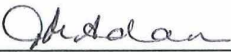
The undersigned hereby acknowledges that on 24 May, 2019, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III, delivered to VB LeaseCo Pty Ltd ("Lessee") that certain CFM56-7B aircraft engine, manufacturer's serial number 897193 (the "Engine"), and Engine Stand with the following details, namely:

(a) Cradle: P/N D71CRA00005G02, S/N MCC150728-1-4; and

(b) Base: P/N D71TRO00005G03, S/N MCC150728-1-4
(the "Engine Stand"),

QEC unit consisting of all the components set forth in Appendix A to the Lease, and all Engine records in Lessor's possession requested by Lessee, including a copy of the life-limited parts profile attached as Appendix B to the Lease, at the Willis Engine Repair Center, Coconut Creek, Florida, U.S.A. The undersigned further acknowledges receipt and acceptance of the Engine, Engine Stand, QEC unit and all such records and compliance thereof with all the terms and conditions of that certain Aircraft Engine Lease Agreement dated as of May 24, 2019 between Lessee and Lessor.

Dated 24 May, 2019.



By: VB LeaseCo Pty Ltd

Name: T.M. McADAM
Attorney

Title: _____

COUNTERPART NO. 1 OF 4 SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UCC, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

AIRCRAFT ENGINE LEASE AGREEMENT

This Aircraft Engine Lease Agreement ("Lease") is made and entered into as of June 14 2019 by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III ("Beneficiary") and VB LEASECO PTY LTD, an Australian corporation ("Lessee").

WITNESSETH:

ARTICLE I Agreement to Lease:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease is entered into pursuant to, and by this reference incorporates all the terms and conditions of, the General Terms Engine Lease Agreement dated as of May 24, 2019 (the "GTA") between Lessor and Lessee. Capitalized terms used but not defined herein shall have the respective meanings given such terms in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall control.

ARTICLE II Lease Term:

The term of this Lease will commence on 14 June 2019 (the "Delivery Date") and will be a period of seventy-five (75) months ending on 13 September 2025 (the "Lease Term").

ARTICLE III Delivery/Redelivery Locations:

The Equipment will be delivered to Lessee EXW the facility of Jet Engine Solutions, Carrollton, Texas, U.S.A., and upon termination of the Lease, the Equipment will be redelivered to Lessor DDP the facility of Willis Asset Management Limited, Bridgend, Wales, or a location in the State of Florida, U.S.A. as determined by Lessor. To coordinate return of the Engine and its Engine records, Lessee should contact the Contract Administration Department of Willis Lease Finance Corporation, as Servicer at +1 415-408-4700.

ARTICLE IV Equipment:

Engine Make	Engine Model	Engine Serial No.	As of June 10, 2019		Engine Stand Serial No.
			Total Time Since New	Total Cycles Since New	
CFM International	CFM56-7B24/3 (currently configured as - 7B26/3)*	896999	19,251.53	8,413	Cradle: P/N D71CRA00005G02, S/N MCC170335-1-1 Base: P/N D71TRO00005G03, S/N MCC170335-1-1

Equipment includes, together with the Engine and Engine Stand listed above, (i) a QEC kit P/N QECNG737 consisting of all the components set forth in Appendix A hereto, (ii) all Engine parts and attachments, and (iii) all Engine records, including a copy of the life-limited parts profile attached as Appendix B hereto, in the possession of Lessor requested by Lessee and all Engine records generated by Lessee during the Lease Term. Failure by Lessee to return any item of Equipment to Lessor, or failure to return any item of Equipment in accordance with the requirements of the Lease, upon termination of the Lease shall result in Lessor purchasing such item(s) on behalf of Lessee at up to full list price and invoicing Lessee for such cost plus a handling fee equal to 15% of such cost, which fee is capped at \$5,000.00 per item. Lessee shall pay such invoice within 30 days of receipt.

The Engine described above is rated in excess of 550 horsepower. The Engine described above has 24,200 pounds of thrust and is only to be operated by Lessee or Sublessee at such thrust unless this Lease expressly permits Lessee or Sublessee to operate the Engine at different thrust(s) or Lessee has received Lessor's prior written consent to operate the Engine at a different thrust.

*The Engine is currently configured as a CFM56-7B26/3 and has 26,300 pounds of thrust. The Lessor hereby consents to the Engine being operated at any thrust within the manufacturer's approved limits which, for the avoidance of doubt, may be at a thrust higher than the thrust at Delivery provided that the cost of completing the Engine thrust conversion shall be borne by the Lessee. For the avoidance of doubt, the Lessor confirms that no additional fees, unless expressly provided for under this Lease, will be charged by the Lessor for changes in thrust configuration. Lessee will report the thrust at which the Engine is operating in its monthly utilization reports to Lessor.

ARTICLE V Agreed Value of Equipment: (See Schedule 1)

ARTICLE VI Lease Payments: (See Schedule 1)

ARTICLE VII Payments Due on Delivery: (See Schedule 1)

ARTICLE VIII Maintenance Costs:

Lessee to be responsible for equipment maintenance and repair costs in accordance with the GTA and this Lease.

ARTICLE IX Security Deposit: (See Schedule 1)

As a condition to delivery of the Equipment, Lessee shall pay to Lessor on the Delivery Date and shall maintain at all times during the Lease Term, as security for this Lease, an security deposit (the "Security Deposit") in the amount set forth in Schedule 1. Lessee shall not be entitled to any interest on the Security Deposit. Provided no Event of Default shall have occurred and be continuing, Lessor shall return the Security Deposit to Lessee upon the return of the Equipment to Lessor in the condition required by, and otherwise in accordance with all the return provisions of this Lease. Lessor shall not be required to apply the Security Deposit to cure any Event of Default under this Lease. Lessor must return the balance of any Security Deposit after deduction of costs, expenses, and damages due and payable by Lessee in accordance with the Lease Agreement.

ARTICLE X Beneficiary:

Beneficiary shall mean Willis Engine Structured Trust III. Beneficiary's Notice address is:

60 East Sir Francis Drake Blvd., Suite 209
Larkspur CA 94939 USA
Attn: General Counsel
Telephone No.: +1 (415) 408-4700
Fax No.: +1 (415) 408-4701

ARTICLE XI Lessor's Lender:

Lessor's Lender shall mean Deutsche Bank Trust Company Americas, as Security Trustee under the Security Trust Agreement dated as of August 4, 2017 between, inter alios, Lessor's Lender and Beneficiary, or if the Lessor so notifies Lessee in writing, shall mean any other party designated in writing by Lessor. Lessor's Lender's address is:

Deutsche Bank Trust Company Americas,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Lessor hereby notifies Lessee, and Lessee hereby acknowledges for the benefit of Lessor's Lender, that Lessor has granted a first priority security interest in the Lease and the Equipment to Lessor's Lender.

ARTICLE XII Payment Account:

Bank Name: Deutsche Bank Trust Co. Americas
ABA No.: 021001033
Acct No.: 00374723
Swift No.: BKTRUS33
Account Name: DBTCA as Trustee for WEST III Lessor Acct
Ref: MSN 897193 rental
Attn: Michele Voon T: 201-593-8420

or such other account as designated by Lessor in writing.

ARTICLE XIII Return of Equipment:

Lessee to be responsible for Equipment return in accordance with Section 18 of the GTA and this Lease.

ARTICLE XIV Subleases:

(a) Notwithstanding anything to the contrary in Section 17 of the GTA and so long as no Event of Default has occurred and is continuing, Lessee may sublease to the party listed on Schedule 1 ("Sublessee") and to such other sublessees as have been approved by Lessor in writing ("Permitted Sublessees") provided that (i) Lessee remains fully responsible to Lessor under the terms of the GTA, this Lease, (ii) the sublease is made expressly subordinate to the terms of the GTA and this Lease and the term of the Permitted Sublease shall not extend beyond the terms of the Lease, (iii) at the sole option of Lessor or Lessor's Lender, Lessee registers such sublease as an international interest with the International Registry created by the Cape Town Convention and causes the sublessee to register as a user of the International Registry system in order to effect registration of the sublease, and Lessee consents to any assignment of the sublease and assists in registering such assignment with the International Registry, (iv) Lessee will procure that any and all sub-lessees comply with all the covenants, undertakings and representations of Lessee to Lessor and (v) Lessor has received (a) a copy of Sublessee's approved maintenance program which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine, (b) an executed copy of the Permitted Sublease between Lessee and Sublessee, (c) an executed sublease assignment and related sublessee consent in form and substance reasonably satisfactory to Lessor in respect of the Permitted Sublease; (d) an executed sublessee subordination acknowledgement in form and substance reasonably satisfactory to Lessor from the Permitted Sublessee and Lessee; and (e) an executed power of attorney from Sublessee in form and substance satisfactory to Lessor and Lessor's Lender.

(b) Performance by Sublessee of the covenants set forth herein, whether expressed as obligations of Lessee or Sublessee, shall be deemed to satisfy the obligations of Lessee hereunder to the extent of the performance.

ARTICLE XV Additional Insureds and Loss Payee/Contract Party:

Casualty Insurance:

Sole Loss Payee:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Liability Insurance:

Additional Insureds:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns, as Security
Trustee, as trustee of the notes, and as operating bank
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Wells Fargo Trust Company, National Association
in its individual capacity and as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 U.S.A.
Attn: Corporate Trust Lease Group
Fax: +1 801.246.7142
Email: CTSLeaseCompliance@wellsfargo.com

Willis Lease Finance Corporation
as servicer, as administrative agent, as trust certificate holder and as prior owner participant
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

Willis Engine Structured Trust III
As owner participant and as issuer
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

BNP Paribas,
as liquidity facility provider
787 Seventh Avenue
New York, New York 10019 U.S.A.
Attention: Aviation Finance Group
Fax: (212) 841-2748
Email: dl.afgny.mo@us.bnpparibas.com

Wilmington Trust Company,
in its individual capacity and as Owner Trustee of the Issuer
1100 North Market Street
Wilmington, Delaware 19890-0001

ARTICLE XVI Trustee Capacity

It is understood and agreed that the Lessor is entering into this Lease solely in its capacity as owner trustee under a trust agreement and that Lessor shall not be liable or accountable in its individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets of the trust estate (as defined in such trust agreement).

ARTICLE XVII

Joinder:

Lessor and Lessee acknowledge that Lessor is an "Additional Owner Trustee", as contemplated by Section 29 of the GTA. Lessor hereby is made a party to the GTA and shall be deemed a "Lessor" for all purposes thereof as incorporated herein, and Lessor hereby agrees to be bound by the terms of the GTA as incorporated herein.

ARTICLE XVIII Additional Representation: As of the date of execution of this Lease, the Lessee was situated in a contracting state as defined in the Cape Town Convention.

ARTICLE XIX Survival: The representation, warranties, indemnities and any other agreement or obligations intended to survive the Lease Term shall survive the expiration, termination or cancellation of this Lease.

ARTICLE XX The GTA is amended as follows for this Lease only:

1. A new Section 4(h) is added to the GTA and reads follows:

"Letter of Credit

(a) The Lessee may at any time during the Lease Term, so long as no Event of Default has occurred and is continuing, deliver a Security Letter of Credit to the Lessor to replace the cash Security Deposit received by Lessor.

(b) Each Security Letter of Credit shall:

- (i) be denominated and payable in an amount equal to the Security Deposit;
 - (ii) be a first demand, irrevocable and absolute payment undertaking of the issuing bank payable on written demand without proof or evidence of entitlement or loss required;
 - (iii) be addressed to the Lessor or its permitted nominee and provide for partial and multiple drawings (without terminating the remaining balance) and freely assignable and transferable to any assignee or transferee of the Lessor without any fees or costs charged to the Lessor or such assignee or transferee;
 - (iv) be issued or confirmed and payable by an international bank, having a long-term unsecured rating of at least "A1" from Moody's or "A+" from Standard & Poor's (or the equivalent from Fitch Ratings) and otherwise reasonably acceptable to the Lessor;
 - (v) be presentable for payment at sight at an office of the issuing or confirming bank at in San Francisco or a location otherwise agreed between the Lessor and the Lessee; and
 - (vi) have a non-cancellable term of at least twelve (12) months or, if shorter, the remainder of the Term and (in the case of the Security Letter of Credit for the final year of the Term) be valid for at least one month after the Expiration Date.
- (c) The Lessor may make a demand under the Security Letter of Credit if:
- (i) the Security Letter of Credit is due to expire during the Lease Term and is not renewed or reissued or replaced by paying an amount equal to the Security Deposit to Lessor; or
 - (ii) an Event of Default has occurred and is continuing.
- (d) The amount drawn by the Lessor under the Security Letter of Credit will be applied by the Lessor in full or partial satisfaction of the Lessee obligation under the Lease.
- (e) If the Lessor draws any funds under the Security Letter of Credit then:
- (i) such drawing shall not be deemed a cure by the Lessee, or waiver by the Lessor or any other person, of any Event of Default unless and until the Lessee complies with its obligations in Section 4(h)(e)(iii);
 - (ii) any interest earned on the amounts so drawn shall be for the Lessor's sole account; and
 - (iii) the Lessee shall within ten (10) Business Days of demand by the Lessor, (A) provide the Lessor with a replacement Security Letter of Credit with a face value at least equal to, or (B) pay to the Lessor in cash an amount equal to, the Security Deposit less (x) any amount drawn under the Security Letter of Credit but not applied by the Lessor in satisfaction of the Lessee's obligations under the

Lease (which amount shall constitute part of the Security Deposit amount) and (y) any other amount paid to the Lessor under this Section.

(f) If the Security Deposit has been previously provided in cash, within ten (10) Business Days after receipt of a Security Letter of Credit, the Lessor shall pay to the Lessee an amount equal to the Security Deposit amount.

(g) If a Security Letter of Credit is due to expire during the Lease Term or should otherwise cease to be legally valid and binding, the Lessee shall either (i) pay to the Lessor an amount equal to the Security Deposit amount or (ii) procure the renewal thereof or the issuance of a new Security Letter of Credit, in either case, at least five (5) Business Days before the expiry date of the then current Security Letter of Credit (or within five (5) Business Days of notice from the Lessor if the then current Security Letter of Credit ceasing to be legally valid and binding), it being understood that the renewed or re-issued Security Letter of Credit need only be valid with effect from the date of expiry of the previous Security Letter of Credit. The Lessor will return any expired Security Letter of Credit, any Security Letter of Credit which is replaced in accordance with this clause and any Security Letter of Credit which ceases to be legally valid and binding to Lessee promptly after it is replaced, expires or ceases to be legally valid and binding (as applicable).

(h) The Lessor shall return the Security Letter of Credit to the Lessee (or at the Lessee's request, to the issuing bank) not later than ten (10) Business Days after:

- (i) the (i) Lease Termination Date or (ii) receipt of the Security Deposit amount or (iii) another Security Letter of Credit in substitution for the Security Letter of Credit; and
- (ii) the Lessor is satisfied (acting in reasonably and in good faith) that all of the obligations under the relevant Lease then due and payable have been satisfied in full."

2. A new Section 6(d) is added to the GTA and reads follows:

"Notwithstanding anything to the contrary herein, and except as noted below, Use Fees collected for this Lease Agreement are reimbursable if a Qualifying Repair (as defined below) is required and Lessor agrees in writing that Lessee shall repair the Engine. In that case, Lessee shall arrange for induction of the Engine into a Lessor-approved maintenance center for maintenance according to a workscope that Lessor will provide in writing. Lessor will manage the maintenance in coordination with the Lessee. When the maintenance is complete to Lessor's satisfaction, and provided no Event of Default has occurred, Lessor will reimburse Lessee (or pay directly to the maintenance provider) the proportionate amount of any Use Fees that Lessor received from Lessee during the Term equal to the well-documented costs of the Qualifying Repair. Any Qualifying Repair costs that exceed the total Use Fees already accumulated under the Lease Agreement will be for Lessor's account. Use Fees are in all other circumstances non-reimbursable and nothing contained herein shall discharge or modify Lessee's responsibility for costs of repairs that are not Qualifying Repairs. In this Lease Agreement, "Qualifying Repair" means any off-wing Engine maintenance that is not caused by foreign object damage, accidents, improper transportation or mishandling of the Engine, Lessee's negligence, accidents or incidents, or any operational or maintenance related negligence, misuse, abuse or act or omission of Lessee or its agents during the Term."

3. Section 17.2 is deleted in its entirety and replaced by the following:

"The parties acknowledge and agree that the Equipment may be installed on airframe which is owned by or leased to Lessee or the Permitted Sublessee, provided that no Event of Default shall have been occurred and be continuing, and in any such case:

(a) Lessee or the applicable Permitted Sublessee has provided satisfactory evidence that the Lessee or the applicable Permitted Sublessee has title to such airframe and the airframe is free and clear all Liens (except for Permitted Liens); or

(b) such other airframe is leased to the Lessee or the applicable Permitted Sublessee or owned by the Lessee or the applicable Permitted Sublessee subject to a conditional sale or other security agreement provided that if the Equipment will be installed on such airframe for more than one hundred fifty (150) days:

(i) such airframe is free and clear of all Liens except (A) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (B) Permitted Liens; and

(ii) Lessee shall provide procure a written agreement from the owner and/or secured party of such airframe (which may be contained in the lease, conditional sale or security agreement covering such airframe), on terms reasonably acceptable to the Lessor, whereby such owner or secured party expressly agrees that (A) neither it nor its successors or assigns will acquire or claim any right, title or interest in any Equipment by reason of such Engine being Installed on such airframe at any time while such Engine is subject to this Agreement and (B) either the Owner (or the Security Trustee) will be designated loss payee in respect of any loss or damage to the Engine or will acquire title to a replacement engine if the Engine is destroyed or title to that Engine is lost.

(iii) To the extent the requirement set out this Section 17.2 are satisfied, Lessee shall not be required to comply with Section 6(c)(iv)"

4. Section 18.1(a) is deleted in its entirety and replaced by the following:

"Time remaining: At the time the Equipment is returned to Lessor, the time in hours and cycles since new or the last Full Engine Refurbishment Shop Visit (as defined below) or Performance Restoration Shop Visit, as applicable, shall not be more than the hours and, if applicable, cycles since new or the last such applicable Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit on the Engine at delivery if the Engine has not been installed on any aircraft during the Lease Term. "Full Engine Refurbishment Shop Visit" means a full engine refurbishment workscope performed in accordance with the applicable Engine manufacturer's Workscope Planning Guide or Engine manufacturer's equivalent maintenance planning document. For the avoidance of doubt, Lessee may install the Engine on any aircraft during the Lease Term in accordance with the applicable provision of this GTA and will not be required to return the Equipment with prescribed return conditions limiting the Lessee's usage of the Engine provided that the Engine's full take-off power EGT margin shall be within the acceptable and serviceable range based on Lessee's operational experience with the particular engine model.

Compensation for any difference between the condition of the Equipment at delivery and redelivery is provided for in subsection 18.1(b) below.”

5. Section 18.1(b) is deleted in its entirety and replaced by the following:

“Compensation: Upon return of the Equipment, Lessee shall make a payment to Lessor to compensate Lessor for any difference between the condition of the Equipment on the Delivery Date and the condition of the Equipment at the time of return. Any available engine heavy maintenance and, if applicable, life-limited parts Use Fees, paid to Lessor by Lessee related to an Engine, may be utilized towards such respective payments due on the return of that particular Engine; provided, that such payments shall not be utilized for the repair of damage caused by Lessee or for the repair of defects caused by foreign objects or by operational abuse or misuse including, but not limited to, incorrect or unauthorized settings or overspeed or component failure. If the Engine did not undergo any Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit during the Lease Term, Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee’s mean cost of Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet at the time of return divided by Lessee’s mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet. In the event work is undertaken by Lessee, with respect to each Engine Module (as defined below), Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine Module on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee’s mean cost of each Engine Module Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet at the time of return divided by Lessee’s mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee’s fleet. In the event that Lessee has insufficient fleet shop visit data to determine the preceding, the per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be based on the Use Fee table and Engine Module table set out in Schedule 1 to the Lease Agreement.

In addition, Lessee shall compensate Lessor at the conclusion of the Lease Term for life used on life-limited parts during the Lease Term, as determined by the difference between the life-limited parts sheets for the Engine on the Delivery Date and the life-limited parts sheets for the Engine at the time of return. The amount of such compensation shall be calculated by reference to the applicable manufacturer’s parts price catalogue and the manufacturer’s published maximum life limits of the applicable life limited parts current at the time of redelivery.”

6. A new Section 18.3(j) is added to the GTA and reads follows:

“ECM Return: Provided that no Event of Default has occurred and continuing, Lessor agrees to waive the requirement of a full Test Cell Run as required under Section 18.1(c) and Section 18.2(c), provided that two (2) weeks prior to Lessor’s receipt of the ECM Return Notice (as

defined below), Lessee shall provide to Lessor, for Lessor's review, preliminary ECM or EHM (as applicable) data and operating history (from the date of installation of the Engine until the then-current date). If no unusual and/or unacceptable conditions (as defined below) are noted within such preliminary data and history, then, immediately after the final flight, Lessee will provide to Lessor and the original equipment manufacturer ("OEM"), for each of their respective review, final ECM or EHM (as applicable) maintenance data and operating history (installation until the then-current date), in a format approved by the OEM for the purpose of issuing the Engine health summary, and authorization for Lessor and the OEM to access such ECM or EHM (as applicable) data. Lessor will invoice and Lessee agrees to pay the then current rate for an OEM generated ECM health report ("ECM Health Report"). (For reference only, the 2019 rate is US\$5,000.00.) If no unusual and/or unacceptable conditions are noted within such final data and history, then Lessor will provisionally waive a requirement for a Test Cell Run (as defined below) and accept in its place an ECM Health Report return ("ECM Return"). If, on the other hand, any unusual and/or unacceptable conditions are identified during review of either the preliminary or the final ECM or EHM (as applicable) data or operational history, in each case, that cannot be troubleshot and/or corrected while on wing, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine by an FAA FAR Part 145 or EASA Part 145 approved repair station reasonably acceptable to Lessor at Lessee's sole expense. As used herein, "unusual and/or unacceptable conditions" means any discrepancies, defects and/or excursions from the base line that have not been corrected in accordance with the applicable aircraft maintenance manual prior to review of the preliminary or final, as the case may be, ECM or EHM (as applicable) data. In addition to the ECM Return (or, if applicable, the Test Cell Run), (i) Lessee will perform or cause to be performed on the Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full (compressor, combustion and turbine sections) video borescope inspection ("Borescope Inspection") to be accomplished after the ECM Return (or, if applicable, the Test Cell Run); (ii) the Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document ("MPD") "C" Check, or engine Stagger Check (as applicable); and (iii) any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed.

As identified and required above, throughout the Lease Term, Lessee will monitor and record Engine performance and, at redelivery, Lessee will provide complete and legible ECM or EHM (as applicable) data, to include both take off and cruise performance and mechanical parameters covering the complete installation term of such Engine since delivery. If Lessee fails to provide the required ECM or EHM (as applicable) data or the Engine's operating, maintenance and inspection history, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine at Lessee's sole expense. If review of the Engine's operating, maintenance or inspection history, or ECM or EHM (as applicable) data throughout the Lease Term, do not meet acceptable standards for the Engine, or the Borescope Inspection or Engine or QEC inspection identifies any unusual and/or unacceptable conditions with respect to the Engine, or the Engine condition is not consistent with the OEM's published unrestricted reinspection intervals, then Lessee will immediately notify Lessor of the findings.

If the ECM Health Report, aforementioned required data, operating or maintenance history, Borescope Inspection or Engine or QEC inspection or, if required, the Test Cell Run identifies an unusual and/or unacceptable condition for which Lessee is responsible under Section 6(a)(i) of the GTA, then Lessee will be responsible for repairing the Engine to return it to the acceptable standard for the Engine and the costs therefor. Lessee shall be liable for repairs and/or correction of any condition that results in a reinspection interval for which Lessee is

responsible, as required by Section 6(a)(i) of the GTA. For the avoidance of doubt, the Engine shall continue to remain on lease until the aforementioned repairs and/or corrections have been completed to Lessor's satisfaction.

Lessee shall provide Lessor with a minimum of two (2) weeks' advance notice of Lessee's intention to perform the ECM Return (the "ECM Return Notice"), Borescope Inspection and, if required, the Test Cell Run, and a minimum of ten (10) days' advance notice prior to performing the Borescope Inspection and, if required, the Test Cell Run, so that Lessor shall have time to have a technical representative present during such Engine inspections and tests, as applicable. Lessee will also provide Lessor with a minimum of ten (10) days' advance notice of the location of such Engine inspections and tests, as applicable. In the event Lessee fails to provide the requisite advance notice to Lessor and Lessee performs any inspections or tests, as applicable, without Lessor's technical representative present to witness same, Lessee will be required to re-perform such inspections and/or tests, as applicable, with Lessor's technical representative present."

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its
individual capacity but solely as Owner
Trustee

By: 
Name: J. Brent Allen
Title: Vice President

Signed for and on behalf of **VB LeaseCo Pty
Limited (with Australian Business Number
29 134 268 741)** by its attorney under power of
attorney dated 25 February 2019

In the presence of:

Signature of witness

Signature of attorney who declares that
the attorney has not received any notice
of the revocation of the power of attorney

Full name of witness

Full name of attorney

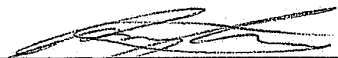
IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: _____
Name: _____
Title: _____

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under power of attorney dated 25 February 2019

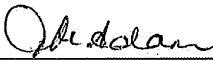
In the presence of:



Signature of witness

BILLY MANSBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Schedule 1
to Aircraft Engine Lease Agreement

ARTICLE V **Agreed Value of Equipment:** US\$10,000,000.

ARTICLE VI **Lease Payments:**

Rent:

Monthly Rent:

US\$58,000 per month
when Engine is operated
as CFM56-7B24 or lower,
and

US\$64,000 per month
when Engine is operated
as CFM56-7B26.

Pro Rata Rent:

If the Delivery Date is other than the first day of a calendar month, Lessee will pay to Lessor, in arrears on the first day of the next succeeding calendar month, a pro rata Rent payment equal to the monthly Rent divided by 30 multiplied by the actual number of days from the Delivery Date to the first day of the next succeeding calendar month.

Use Fees: Lessee will not be required to pay monthly Use Fees during the Lease Term. Use Fee compensation will instead be calculated and charged at the return of the Equipment in accordance with Section 18.1(b) of the Lease Agreement.

Virgin Australia CFM56-7B Rates, Medium Severity, 10% Proven Derate					
Ratio	7B20 Hourly	7B22 Hourly	7B24 Hourly	7B26 Hourly	Cyclic
1.5	\$129.12	\$142.15	\$145.13	\$161.37	\$163.38
1.6	\$122.91	\$136.08	\$139.20	\$152.55	\$163.38
1.7	\$118.57	\$131.17	\$134.14	\$144.74	\$163.38
1.8	\$114.23	\$126.97	\$129.08	\$137.80	\$163.38
1.9	\$110.91	\$122.35	\$124.17	\$132.02	\$163.38
2.0	\$107.73	\$118.73	\$120.26	\$126.09	\$163.38
2.1	\$104.98	\$115.55	\$117.23	\$121.32	\$163.38
2.2	\$101.65	\$112.66	\$113.18	\$117.41	\$163.38
2.3	\$98.91	\$109.77	\$111.30	\$112.50	\$163.38
2.4	\$95.72	\$107.17	\$107.25	\$108.59	\$163.38
2.5	\$93.41	\$104.85	\$105.23	\$105.56	\$163.38

*If the hour:cycle ratio decreases or increases, the flight hour charge will be increased or decreased proportionally. On 1 January 2019 and each January 1st thereafter, Use Fee will be adjusted based on actual operating environment, severity, proven derate level, and hour:cycle ratio, and will be escalated at fixed 3.5% (for flight hours) and OEM's LLP part price (for flight cycles) for such year.

The above rates will be applied to each Engine Module on the following percentages:

Major Module	Flight Hour Percentage
Fan & Booster	7%
HPC	35%
HPT & Combustor	40%
LPT	13%

"Engine Modules" means each of (a) Fan & Booster (ATA Chapters 72-21/22/23); (b) HPC (ATA Chapters 72-31/32/33); (c) HPT & Combustor (ATA Chapters 72-41/42/51/52/53) and (d) LPT (ATA Chapters 72-54/55/56).

NOTE: : In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, in each case payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

ARTICLE VII Payments Due on Delivery:

Security Deposit:	US\$100,000
Advance Rent:	US\$ 64,000
Transaction Fee:	US\$ 0
Advance Use Fee:	US\$ 0
Total Payment:	<u>US\$164,000</u>

ARTICLE IX Security Deposit:

Security Deposit: US\$100,000.

Lessee may replace the cash Security Deposit with a Security Letter of Credit.

ARTICLE XIV Subleases:

Sublessee: Any member of the Virgin Australia Group (being Virgin Australia Holdings Limited, Virgin Australia International Holdings Pty Ltd and each of their wholly owned subsidiaries), provided that such members have satisfactory completed Lessor's KYC process.

SECTION 19(a)(viii) of the GTA - Threshold Amount:

US\$25,000,000 (Twenty-Five Million US Dollars).

Appendix A

WILLIS LEASE FINANCE AS SERVICER
 CFM16276 SIN 886898
 ACCESSORY INVENTORY
 13-Jun-2019

ETT:	19.251.53	LOCATION:	JES, Dallas
ETC:	2.410	OPERATOR:	Southwell
TECHNICAL DEPARTMENT VERIFICATION BY:	Noel Roper	DATE:	11-Jun-19
RECORDS DEPARTMENT VERIFICATION BY:	Hermann Lichtenheld	DATE:	13-Jun-19

QTY	DESCRIPTION	TYPICAL PART NUMBER	PN	SIN	TSN	TSO	TS/TSR	REMARKS
1	1. AIR FILTER S/TAYLOR	1851M6P00	GR17279		19.251.53	19.251.53	19.251.53	
1	1. AIR FILTER S/TAYLOR	1851M6P00	GR17279		19.251.53	19.251.53	19.251.53	
1	1. ECU SOFTWARE	2042M6P04	LA02025		NUR	NUR	NUR	VERSION T.B.WFZ2
1	1. ELECTRONIC CONTROL UNIT	2042M6P04	LA02025		NUR	NUR	NUR	VERSION T.B.WFZ2
1	1. FUEL INJECTION TRIM PLUS	300400-001-0	73791937		NUR	NUR	NUR	ENG CONVERSION PER
1	1. FUEL INJECTION TRIM PLUS	300400-001-0	73791937		NUR	NUR	NUR	SI 73.0192
1	1. FUEL FILTER	340-003-004-0	FA0051C		19.251.53	19.251.53	19.251.53	
1	1. FUEL FLOW TRANSMITTER	1853M4P00	FE021469		19.251.53	19.251.53	19.251.53	
1	1. FUEL FLOW TRANSMITTER	1853M4P00	FE021469		19.251.53	19.251.53	19.251.53	
1	1. HYDRA-MECHANICAL UNIT	340-002-005-0	VA02524M		19.251.53	19.251.53	19.251.53	
1	1. HYDRA-MECHANICAL UNIT	340-002-005-0	VA02524M		19.251.53	19.251.53	19.251.53	
1	1. OIL COOLER	48731-1583	EM0514541		19.251.53	19.251.53	19.251.53	
1	1. OIL COOLER	48731-1583	EM0514541		19.251.53	19.251.53	19.251.53	
1	1. OIL FILTER	320M6P00	UNLN0259		19.251.53	19.251.53	19.251.53	
1	1. OIL FILTER	320M6P00	UNLN0259		19.251.53	19.251.53	19.251.53	
1	1. OIL LEAK DETECTOR	340-002-005-0	EM0514541		19.251.53	19.251.53	19.251.53	
1	1. OIL LEAK DETECTOR	340-002-005-0	EM0514541		19.251.53	19.251.53	19.251.53	
1	1. LUBRICATION UNIT	41F-005	Y1181784H		19.251.53	19.251.53	19.251.53	
1	1. LUBRICATION UNIT	41F-005	Y1181784H		19.251.53	19.251.53	19.251.53	
1	1. NO SPEED SENSOR	300400-001-0	EM17751D		19.251.53	19.251.53	19.251.53	
1	1. NO SPEED SENSOR	300400-001-0	EM17751D		19.251.53	19.251.53	19.251.53	
1	1. OIL ANTI LEAK VALVE	41F-003	Y11824842		19.251.53	19.251.53	19.251.53	
1	1. OIL ANTI LEAK VALVE	41F-003	Y11824842		19.251.53	19.251.53	19.251.53	
1	1. OIL CLOSING TRANSMITTER	GM07656S11	RS114664		19.251.53	19.251.53	19.251.53	
1	1. OIL CLOSING TRANSMITTER	GM07656S11	RS114664		19.251.53	19.251.53	19.251.53	
1	1. OIL FILTER	340-002-001-0	W0165250		19.251.53	19.251.53	19.251.53	
1	1. OIL FILTER	340-002-001-0	W0165250		19.251.53	19.251.53	19.251.53	
1	1. OIL CITY TRANSMITTER	41F-003	MA0491083		NUR	NUR	NUR	
1	1. OIL SCAVENGE FILTER	41F-003	MA0491083		NUR	NUR	NUR	
1	1. OIL TRANK	340-003-002-0	Y11244348		19.251.53	19.251.53	19.251.53	
1	1. OIL TRANK	340-003-002-0	Y11244348		19.251.53	19.251.53	19.251.53	
1	1. OIL FUEL HEATER	48731-1582	EM188074M		19.251.53	19.251.53	19.251.53	
1	1. OIL FUEL HEATER	48731-1582	EM188074M		19.251.53	19.251.53	19.251.53	
1	1. SERVO FUEL HEATER	301-001-002-0	EM188074M		19.251.53	19.251.53	19.251.53	
1	1. SERVO FUEL HEATER	301-001-002-0	EM188074M		19.251.53	19.251.53	19.251.53	
0	1. OIL TEMPERATURE SENSOR	1851M6P04	037030AN1		19.251.53	19.251.53	19.251.53	NOT PROVIDED
1	1. TRANSPARENT BLEED VALVE	1851M6P04	037030AN1		19.251.53	19.251.53	19.251.53	
1	1. TRANSPARENT BLEED VALVE	1851M6P04	037030AN1		19.251.53	19.251.53	19.251.53	
1	1. VERVAL SCREW ACTUATOR LH	340-002-004-0	EM4640963		19.251.53	19.251.53	19.251.53	
1	1. VERVAL SCREW ACTUATOR LH	340-002-004-0	EM4640963		19.251.53	19.251.53	19.251.53	
1	1. VERVAL SCREW ACTUATOR RH	340-002-004-0	EM4640963		19.251.53	19.251.53	19.251.53	
1	1. VERVAL SCREW ACTUATOR RH	340-002-004-0	EM4640963		19.251.53	19.251.53	19.251.53	
1	1. VSV ACTUATOR LH	181315-010	W01059		19.251.53	19.251.53	19.251.53	
1	1. VSV ACTUATOR LH	181315-010	W01059		19.251.53	19.251.53	19.251.53	
1	1. ACCESSORY GEARBOX	340-006-006-0	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. ACCESSORY GEARBOX	340-006-006-0	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL INJECTION	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL INJECTION	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL NOZZLE	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL NOZZLE	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL NOZZLE	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	
1	1. FUEL NOZZLE	137MM4G18	PCV44705		19.251.53	19.251.53	19.251.53	

NUR: INSTALLED, NOT RECORDED
 ASN: NO SERIAL NUMBER
 NV: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B SN 896939
CEC INVENTORY
13-Jun-2019

ETI:	19,251.53	LOCATION:	JES, 08185
ETC:	8,413	OPERATOR:	Southwest
TECHNICAL DEPARTMENT VERIFICATION BY:	Noti Rogiers	DATE:	11-Jun-19
RECORDS DEPARTMENT VERIFICATION BY:	Hermann Lechmanheld	DATE:	13-Jun-19

QTY	DESCRIPTION	PPRM REFERENCE	TYPICAL PART NUMBER	PN	SIN	TSM	TSD	TSMTR	REMARKS
0	HYDRAULIC PUMP (WICKERS)	FIGURE 7, ITEM 105	10521121-2	N/A	N/A				NOT PROVIDED
0	HYDRAULIC PUMP (ABEX)	FIGURE 20, ITEM 15	10521121-2	N/A	N/A				NOT PROVIDED
0	DIS	FIGURE 21, ITEM 50	8281A001-101	N/A	N/A				NOT PROVIDED
0	DERELIEF VALVE	FIGURE 24, ITEM 10	833658	N/A	N/A				NOT PROVIDED
0	DERELIEF VALVE	FIGURE 18, ITEM 20	301222-1	N/A	N/A				NOT PROVIDED
0	CHECK VALVE	FIGURE 18, ITEM 15	802862	N/A	N/A				NOT PROVIDED
1	FIRE DETECTOR LEFT CORE	FIGURE 28, ITEM 10	802016-01	902862	N/A				MTW (BOEING PN 5337100-30) - AD 98-2-1-11
1	FIRE DETECTOR LOWER FAN	FIGURE 28, ITEM 10	802016-01	902862	N/A				MTW (BOEING PN 5337100-30) - AD 98-2-1-11
1	FIRE DETECTOR LOWER FAN	FIGURE 28, ITEM 20	802016-01	902862	N/A				MTW (BOEING PN 5337100-30) - AD 98-2-1-11
1	FIRE DETECTOR UPPER FAN	FIGURE 28, ITEM 5	802016-01	902862	N/A				MTW (BOEING PN 5337100-30) - AD 98-2-1-11
1	FUEL INLET HOSE ASSY	FIGURE 12, ITEM 10	AE119733-1	6370	N/A				ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044007, Row R, ITEM 73-3
0	HIGH STAGE REGULATOR	FIGURE 14, ITEM 150	103483-7	N/A	N/A				NOT PROVIDED
0	HIGH STAGE VALVE	FIGURE 16, ITEM 150	321444-4	N/A	N/A				NOT PROVIDED
1	HYDRAULIC FILTER	FIGURE 21, ITEM 5	7579078	7579078	N/A				NOT PROVIDED
1	DIS AIR/OIL COOLER	FIGURE 21, ITEM 5	UAS3855-3	69530	N/A				NOT PROVIDED
1	DIS AIR/OIL COOLER	FIGURE 21, ITEM 5	310A2030-17	80995	N/A				AD 2011-18-10
1	MOUNT ASSY - AFT HANGER FITTING	FIGURE 3, ITEM 5	310A2030-17	80995	N/A				AD 2011-18-10
1	MOUNT ASSY - FORWARD	FIGURE 2, ITEM 15	310A2030-11	85103	N/A				AD 2011-18-10
1	MOUNT ASSY - FWD-HANGER FITTING ASSY	FIGURE 2, ITEM 50	310A2021-4	N/A	N/A				NOT PROVIDED
1	PLUG ASSY (EXHAUST PLUG)	FIGURE 22, ITEM 5	314A2620-1	N/A	N/A				NOT PROVIDED
0	PRESSURE SWITCH - OVAL	FIGURE 27, ITEM 45	83344-2	N/A	N/A				NOT PROVIDED
0	PRESSURE SWITCH - OVAL	FIGURE 27, ITEM 45	83344-2	N/A	N/A				NOT PROVIDED
0	PRIMARY NOZZLE ASSY (EXHAUST SLEEVE)	FIGURE 32, ITEM 100	314A2610-62	N842-632	N/A				NOT PROVIDED
0	PROV	FIGURE 18, ITEM 5	8274552-6	N/A	N/A				NOT PROVIDED
0	PROV	FIGURE 25, ITEM 175	239053-2	N/A	N/A				NOT PROVIDED
1	THRUST LINK (LEFT)	FIGURE 25, ITEM 175	310A2041-10	310A2041-10	N/A				NOT PROVIDED
1	THRUST LINK (RIGHT)	FIGURE 27, ITEM 225	310A2041-10	310A2041-10	N/A				NOT PROVIDED
0	VALVE ASSY (CTAN)	FIGURE 27, ITEM 225	3215618-1	N/A	N/A				NOT PROVIDED
0	VALVE - GROUND WING TAIL TEMP	FIGURE 14, ITEM 5	309548-2	N/A	N/A				NOT PROVIDED
1	HOSE - HYDRAULIC CASE DRAIN UPPER	FIGURE 21, ITEM 75	155006-06-23	155006-06-23	7939				ALT PN 8332A210-23 ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044007, Row R, ITEM 29-1A
1	HOSE ASSY - HYDRAULIC PRESSURE	FIGURE 21, ITEM 225	155012-12-21	155012-12-21	61906				ALT PN 8332A210-21 ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044007, Row R, ITEM 29-1A
0	HYDRAULIC PUMP ADAPTER (WICKERS)	FIGURE 20, ITEM 105	837699	N/A	N/A				NOT PROVIDED
0	HYDRAULIC PUMP CAD KIT (ABEX)	FIGURE 24, ITEM 15	832A2250-4	N/A	N/A				NOT PROVIDED
0	RELIEF VALVE	FIGURE 24, ITEM 15	832A2250-4	N/A	N/A				NOT PROVIDED
1	12 O-CLOCK STRUT ROD ASSY	FIGURE 13, ITEM 70	315A0180-4	N/A	N/A				NOT PROVIDED
1	CHECK VALVE - HYD DRAIN	FIGURE 21, ITEM 15	8A3V100E12	N/A	N/A				NOT PROVIDED
1	DUCT ASSY - 5TH	FIGURE 15, ITEM 105	832A222-14	N/A	N/A				NOT PROVIDED
0	DUCT ASSY - 5TH	FIGURE 15, ITEM 105	832A222-14	N/A	N/A				NOT PROVIDED
0	DUCT ASSY - 5TH	FIGURE 15, ITEM 200	832A222-10	N/A	N/A				NOT PROVIDED
1	DUCT ASSY - FORWARD TAIL	FIGURE 13, ITEM 10	832A2300-46	N/A	N/A				NOT PROVIDED
1	DUCT ASSY - INTERSECTION MANIFOLD	FIGURE 15, ITEM 300	832A232-54	N/A	N/A				NOT PROVIDED
1	DUCT ASSY (LOWER, START VALVE)	FIGURE 25, ITEM 100	832A2313-1	N/A	N/A				NOT PROVIDED
1	DUCT ASSY (LOWER, TAIL)	FIGURE 2, ITEM 250	832A2360-12	N/A	N/A				NOT PROVIDED

NR, INSTALLED, NOT RECORDED
NSN, NO SERIAL NUMBER
NV, PART NOT CALLED, NOT VISBLE

WILLIS LEASE FINANCE AS SERVICER
 CFM56-7B S/N 888999
 OEC INVENTORY
 13-Jun-2019

ETT:	19,261.63	LOCATION:	JES, Dishes
ETC:	6,413	OPERATOR:	Southern
TECHNICAL DEPARTMENT VERIFICATION BY:	Noel Rogbert	DATE:	11-Jun-19
RECORDS DEPARTMENT VERIFICATION BY:	Hermann Lichtenheld	DATE:	13-Jun-19

QTY	DESCRIPTION	PPRM REFERENCE	TYPICAL PART NUMBER	PN	SN	TSN	TSO	TS/TSR	REMARKS
0	DUCT ASSY (P/RSO)	FIGURE 7, ITEM 200	332A2310-4	N/A	N/A				
0	DUCT ASSY (UPPER START VALVE)	FIGURE 26, ITEM 250	332A2310-4	N/A	N/A				
1	HOSE - HYDRAULIC CASE DRAIN LOWER	FIGURE 21, ITEM 200	15500E-06-16	N/V	N/R				
1	HOSE ASSY - HYDRAULIC SUPPLY	FIGURE 21, ITEM 300	15501E-20-11	N/V	N/R				
1	HOSE ASSY - INLET	FIGURE 24, ITEM 200	11506E-2	N/V	N/R				
1	HOSE ASSY - OUTLET	FIGURE 24, ITEM 200	11506E-2	N/V	N/R				
1	HDG HOSE ASSY - INLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/R				
1	HDG HOSE ASSY - ACC INLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/R				
1	HDG HOSE ASSY - ACC OUTLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/R				
1	HDG HOSE ASSY - INLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/R				
1	HDG HOSE ASSY - OUTLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/R				
1	WAGELLE BRACKET - LH	FIGURE 8, ITEM 225	332A2350-52	N/V	N/R				
1	WAGELLE BRACKET - RH	FIGURE 8, ITEM 225	332A2350-52	N/V	N/R				
1	OIL SCUPPER DRAIN HOSE	FIGURE 10, ITEM 100	BT00-2	N/V	N/R				
QTY	DESCRIPTION	PPRM REFERENCE	TYPICAL PART NUMBER	PN	SN	TSN	TSO	TS/TSR	REMARKS
1	OEC KIT	71-00-02	OECN6737-200	N/V	N/V				

N/R: INSTALLED, NOT RECORDED
 N/SN: NO SERIAL NUMBER
 N/V: PART INS TALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
 CFM56-7B ESN 896999
 MVP BAG / STAND INFORMATION
 13-Jun-2019

ETT:	19,251.53	LOCATION:	JES, Dallas	
ETC:	8,413	OPERATOR:	Southwest	
TECHNICAL DEPARTMENT VERIFICATION BY:	Noel Rogers	DATE:	11-Jun-19	
RECORDS DEPARTMENT VERIFICATION BY:	Hermann Lichtenheldt	DATE:	13-Jun-19	
QTY	DESCRIPTION	P/N	S/N	REMARKS
1	MVP BAG	NPN	NSN	BLUE
1	STAND, BASE	D71TRO0005G03	MCC170335-1-1	
1	STAND, CRADLE	D71GRA0005G02	MCC170335-1-1	
2	TOW BARS	NPN	NSN	
1	STEERING BAR	NPN	NSN	
1	SPANNER WRENCH	NPN	NSN	

NIR: INSTALLED, NOT RECORDED
 NSN: NO SERIAL NUMBER
 NVV: PART INSTALLED, NOT VISIBLE

Appendix B

1 of 1

Willis Lease
PROPERTY TO LEASE - LEASE AGREEMENT

Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number
243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000

Module Name	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Module Name	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Serial No: 1000
Part Name: FAN MOTOR
Part Number: 1000

Module Name	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number	Serial No	Part Name	Part Number
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000
FAN MOTOR	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000	243102-1870	FAN MOTOR	1000

Lease Agreement
Virgin Australia – ESN 896999

Authorizing Signature _____
Date _____

Although the information in this report has been obtained from sources which Willis Lease Finance Corporation has deemed to be reliable, any such information may be incomplete or condensed.
All data and information included in this report is for information purposes only, and is not intended as official documentation with respect to the purpose of this engine.

Execution Version

Virgin Australia Airlines Engine Sublease Agreement (ESN 896999)

VB LeaseCo Pty Limited
Sublessor

Virgin Australia Airlines Pty Limited
Sublessee

Clayton Utz
Level 15 1 Bligh Street
Sydney NSW 2000
GPO Box 9806
Sydney NSW 2001
Tel + 61 2 9353 4000
Fax + 61 2 8220 6700
www.claytonutz.com

Our ref 741/80190524

LI331176758.4

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Virgin Australia Airlines Engine Sublease Agreement

Date June 14, 2019

Parties **VB LeaseCo Pty Limited ABN 29 134 268 741** of 56 Edmondstone Road, Bowen Hills QLD 4006 (**Sublessor**)

Virgin Australia Airlines Pty Limited ABN 36 090 670 965 of 56 Edmondstone Road, Bowen Hills QLD 4006 (**Sublessee**)

Background

The parties agree as set out in the Operating part of this agreement, in consideration of, among other things the mutual promises in this agreement.

Operative provisions

1. Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this agreement are set out below:

Aircraft Engine Lease Agreement means the lease agreement in connection with the Engine entered into pursuant to Exhibit A to the GTA which incorporates the terms and conditions of the GTA.

Approved Maintenance Program has the meaning given in the GTA.

Aviation Authority has the meaning given in the GTA.

Business Day means:

- (a) for the purposes of clause 12.4, a day on which banks are open for business in the city where the notice or other communication is received excluding a Saturday, Sunday or public holiday; and
- (b) for all other purposes, a day on which banks are open for business in Brisbane and Sydney excluding a Saturday, Sunday or public holiday.

Certificate of Acceptance means a certificate substantially in the form of Schedule 2.

Controller means in, relation to a corporation or the property of a corporation, a receiver, receiver and manager, trustee, inspector or similar officer is appointed in relation to the corporation or any of its assets.

Engine means the engine more particularly described in Schedule 1 as Engine 896999, and including:

- (a) any other equipment (including QEC) relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;

- (b) the Engine Stand relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;
- (c) any and all parts incorporated or installed in or on such Engine and all parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the terms of the GTA; and
- (d) all records relating to such Engine,

provided that if the context in which the term "Engine" appears does not permit the inclusion of the Engine Stand and/or the records as part of the Engine, then the Engine Stand and/or the records (as applicable) shall not be deemed to be part of the Engine in that particular context.

Engine Stand has the meaning given in the GTA.

Event of Default and Default have the meaning given in the GTA.

GTA means the "General Terms Engine Lease Agreement" entered into between the Lessor as "Lessor" and the Sublessor as "Lessee" dated on or about 24 May 2019, as further amended from time to time.

Government Entity has the meaning given in the GTA.

Head Lease means the Aircraft Engine Lease Agreement between the Lessor and the Sublessor in relation to the Engine.

Host Aircraft means the aircraft on which the Engine is installed.

Indemnatee means any person who is indemnified pursuant to the terms of the Head Lease and includes the Tax Indemnatee.

Insurance each insurance required to be effected under clause 14 of the GTA (as incorporated into this agreement by clause 5.4).

Lease Default means a Lease Event of Default or a Potential Lease Event of Default.

Lease Event of Default means any event specified in Schedule 4.

Lease Term has the meaning given in the Aircraft Engine Lease Agreement for the Engine.

Lease Termination Date means the last day of the Lease Term for the Engine.

Lessor means Wells Fargo Trust Company NA.

Material Adverse Effect means a material adverse effect on the Sublessee's ability to perform any of its obligations under any Sublease Document.

Officer in relation to a party to this agreement, a director or a secretary, or a person notified to be an authorised officer, of that party.

Owner Trustee has the meaning given in the GTA.

Permitted Lien has the meaning given in the GTA.

Potential Lease Event of Default means an event which with the giving of notice, lapse of time or fulfilment of any condition, would likely become a Lease Event of Default.

Power means any right, power, authority, discretion or remedy conferred on the Sublessor by the Sublease Documents or any applicable law.

PPSA means the Personal Property Securities Act 2009 (Cth).

Return Condition means the condition described in the return conditions applicable to the Engine as described in the Aircraft Engine Lease Agreement.

Redelivery Location means the place nominated by the Lessor pursuant to clause 18.3(f) of the GTA.

Relevant Currency means the currency in which a payment is required to be made under the Sublease Documents.

Rent means the rent and maintenance reserves payable under clause 3.

Same Day Funds means immediately available and freely transferable funds.

Scheduled Termination Date means the day before the Lease Termination Date.

Security Interest has the meaning given to the term "Lien" in the GTA and includes the definition given to the term "security interest" in the PPSA.

Sublease means the lease of the Engine under and on the terms of this agreement.

Sublease Delivery means the transfer of possession of the Engine to the Sublessee under this Sublease.

Sublease Delivery Date means the date on which Sublease Delivery shall occur, which shall be a Business Day.

Sublease Documents means this agreement.

Sublessor's Security Interest means any Security Interest given by Sublessor over or in respect of the Engine and any Security Interest arising on or relating to or affecting the Engine or any part thereof arising as a result of:

- (a) acts or claims against Sublessor not related to or which do not arise directly or indirectly as a result of the transactions contemplated by or permitted under this agreement and the other Sublease Documents; or
- (b) Taxes for which the Sublessor is responsible and for which Sublessor is not indemnified by Sublessee under the Sublease Documents.

Taxes has the meaning given in the GTA.

Tax Indemnitee has the meaning given in the GTA.

Term means the period commencing on the Sublease Delivery Date and ending on the Termination Date.

Termination Date means the Scheduled Terminated Date or if earlier, the date on which the Lease is terminated under this agreement.

Total Loss has the meaning given in the GTA.

Total Loss Date means the date on which a Total Loss with respect to the Engine shall be deemed to have occurred as described in the definition of "Total Loss" in the GTA.

Total Loss Proceeds has the meaning given in the GTA.

1.2 Interpretation

In this agreement, headings and bold type are for convenience only and do not affect the interpretation of this agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Entity;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to, this agreement and a reference to this agreement includes any attachment, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Entity with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including, but not limited to, a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (o) a covenant or agreement on the part of two or more persons binds them jointly and severally;

- (p) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
- (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (q) references to time are to Brisbane time.

1.3 Inclusive expressions

Specifying anything in this agreement after the words "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Exclusion of implied covenants and terms

- (a) Any terms, rights, powers or remedies which may be implied in this agreement by virtue of or under any law for the time being in force in any State or Territory of Australia or any other place where the Engine may be located at any time during the Term do not apply to, and are not implied in, this agreement except:
- (i) insofar as the same or some part or parts of those terms and Powers are included in the express terms of this agreement; and
 - (ii) insofar as those terms, rights, powers or remedies are not capable of being excluded under any such law.
- (b) The Sublessee hereby expressly agrees and acknowledges that:
- (i) in deciding to enter into this agreement the Sublessee has not relied in any way on the Sublessor's skill or judgment, and that there has not been made, any warranty or representation by or on behalf of the Sublessor, express or implied, with respect to the Engine or the Sublessor's rights to or in respect of the Engine and that the Sublessee has satisfied itself as to title to and the condition and suitability of the Engine and its fitness for the Sublessee's purposes;
 - (ii) the Sublessor has not made any representation, warranty or undertaking about the condition or availability of the Engine, its quality, fitness for purpose or safety;
 - (iii) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties, express or implied, whether arising by virtue of statute or otherwise, as to the condition, suitability, quality, fitness or safety of the Engine is hereby expressly waived, negated and excluded, and the Sublessor does not give any condition or warranty in relation to the Engine;
 - (iv) in the event that this agreement constitutes a supply of goods or services to a consumer as defined in Schedule 2 (Australian Consumer Law) (ACL) of the Competition and Consumer Act 2010 (Cth) (Act), nothing contained in this agreement excludes, restricts or modifies in relation to this agreement and the goods or services to be supplied hereunder which constitutes a supply of goods or services to a consumer, any condition, warranty, right or remedy which pursuant to the Act applies to this agreement or is conferred on the Sublessee, provided that to the

extent the Act permits the Sublessor to limit its liability for a breach of a condition or warranty implied by the Act, then the Sublessor's liability for such breach including any consequential loss which the Sublessee may sustain or incur shall be limited to:

- A. in the case of goods deemed under the Act to be supplied to a consumer hereunder any one or more of the following:
 - 1) replacement of such goods, or the supply of equivalent goods, or payment of the cost of replacing such goods or acquiring equivalent goods; or
 - 2) the repair of such goods or payment of the cost of having such goods repaired; and
- B. in the case of services deemed under the Act to be supplied to a consumer hereunder:
 - 1) the supplying of such services again; or
 - 2) the payment of the cost of having such services supplied again as the case may require;
- (v) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties which would or might otherwise be implied in this agreement are hereby waived, excluded and negated; and
- (vi) this clause 1.4(b) has been brought to Sublessee's attention.
- (c) The Sublessor may not be able to rely on this clause 1.4 if it is not fair and reasonable to do so under section 68A(2) and (3) of the ACL.

1.5 Subject and subordinate

Each of the Sublessor and the Sublessee agree that, if an Event of Default has occurred and is continuing, this Sublease and all rights of the Sublessee under this Sublease are at all times expressly subject and subordinate to the provisions of the relevant Head Lease and the rights, title and interests of the Owner Trustee and any relevant owner/mortgagee in and to the Engine.

1.6 GTA

The Sublessee acknowledges that it has received from the Sublessor extracts of the GTA and the Aircraft Engine Lease Agreement setting out the provisions of the GTA and the Aircraft Engine Lease Agreement (and all associated definitions) incorporated or referred to in this agreement, including by the operation of clause 5.4.

2. Leasing procedures

2.1 Conditions precedent

- (a) Subject to receipt by the Sublessor of the conditions precedent set out in Schedule 3 in form and substance satisfactory to it, the Sublessor agrees to lease the Engine to the Sublessee on the terms of the Sublease Documents.
- (b) The conditions in this clause 2.1 are for the benefit only of the Sublessor.

2.2 Lease

Subject to this agreement, the Sublessee has agreed to lease the Engine from the Sublessor under this agreement.

2.3 Commencement of leasing

The Sublease commences on the Sublease Delivery Date and, unless terminated earlier in accordance with this agreement continues until the last day of the Term.

2.4 Sublease Delivery

- (a) The Sublessee or its duly authorised representative must execute and deliver to the Sublessor a Certificate of Acceptance immediately upon Sublease Delivery.
- (b) As between the Sublessor and the Sublessee, the execution and delivery of the Certificate of Acceptance by the Sublessee or its duly authorised representative evidences and constitutes irrevocable, final and conclusive acceptance of the Engine by the Sublessee for all purposes of this agreement.

3. Rent

- (a) The Sublessee agrees to pay the Sublessor rent and maintenance reserves (if applicable) for the Engine at such times and in such amounts as are provided for in the Aircraft Engine Lease Agreement and any maintenance reserves (if applicable) shall be dealt with and applied in accordance with the Aircraft Engine Lease Agreement.
- (b) Rent must be paid by the Sublessee to an account of the Sublessor notified by the Sublessor to the Sublessee.

4. Payments

4.1 Payments

All payments by the Sublessee to the Sublessor under this agreement must be made:

- (a) in Same Day Funds;
- (b) in the Relevant Currency;
- (c) not later than 11.00 am (Brisbane time) on the due date; and
- (d) to the Sublessor's account as specified by notice to the Sublessee.

4.2 Amounts payable on demand

If any amount payable by the Sublessee under this agreement is not expressed to be payable on a specified date, that amount is payable by the Sublessee on demand by the Sublessor.

4.3 Payments in gross

All payments which the Sublessee is required to make under this agreement must be:

- (a) without any set-off, counterclaim or condition; and
- (b) without any deduction or withholding for any Taxes or any other reason, unless the Sublessee is required to make a deduction or withholding by applicable law.

4.4 Taxation deduction procedures

If the Sublessee is required to make a deduction or withholding of Taxes from any payment to be made to the Sublessor under this agreement, then:

- (a) the Sublessee must pay the amount deducted or withheld to the appropriate Government Entity as required by applicable law; and
- (b) the Sublessee must use its best endeavours to obtain official receipts or other documentation from that Government Entity and must deliver them to the Sublessor within 2 Business Days after receipt.

5. Representations, warranties and undertakings of the Sublessee

5.1 Representations and warranties

The Sublessee represents and warrants to and for the benefit of the Sublessor that:

- (a) **(registration)** it is a corporation registered (or taken to be registered) and validly existing in the jurisdiction of its incorporation;
- (b) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (c) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (d) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (e) **(binding obligations)** this agreement constitute its legal, valid and binding obligations and, subject to any necessary stamping and registration, are enforceable in accordance with their terms subject to laws generally affecting creditors' rights and to principles of equity;
- (f) **(transaction permitted)** the execution, delivery and performance by it of this agreement will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation binding on it or its assets;
 - (ii) its constitution; or
 - (iii) any Security Interest or agreement which is binding on it;
- (g) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (h) **(solvency)** it is not insolvent or unable to pay its debts as and when they become due and payable;
- (i) **(litigation)** no litigation, arbitration or administrative proceeding is taking place or, to the best of its knowledge, pending or threatened against it which could, if adversely determined, have a Material Adverse Effect;
- (j) **(no Lease Event of Default)** no Lease Event of Default is continuing and, to its knowledge, no material Potential Lease Event of Default is continuing; and

- (k) **(Immunity)** in any proceedings taken in Queensland or Australia in relation to any of the Sublease Documents, will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

5.2 Survival and repetition of representations and warranties

The representations and warranties given under this agreement:

- (a) survive the execution of this agreement; and
- (b) other than the representations and warranties in clauses 5.1(e) and 5.1(k), are repeated on each date on which Rent is due and payable with respect to the facts and circumstances then existing.

5.3 Duration of undertakings

The Sublessee shall perform and comply with its undertakings and covenants in this agreement at all times during the Term. All such undertakings and covenants shall, except where expressly otherwise stated, be performed at the expense of the Sublessee.

5.4 Engine undertakings

The Sublessee must comply with, and where applicable, the Sublessee may do the things permitted by, and must not do the things prohibited by, the following provisions of the GTA:

- (a) clause 5 (Compliance with Laws);
- (b) clause 6 (Use and Maintenance);
- (c) clause 7 (Records);
- (d) clause 8 (Modification);
- (e) clause 13 (Inspection);
- (f) clause 11 (General Undertakings);
- (g) clause 14 (Insurance);
- (h) clause 15 (Title to Equipment);
- (i) clause 17 (Subleases; Assignment); and
- (j) clause 18 (Return of Equipment),

in each case as they apply to the Engine or a Host Aircraft, or as the case may be, or the parts included in the Engine as if those provisions and associated definitions in the GTA were set out in this Sublease in full but as if references in those provisions and associated definitions to:

- (i) 'Delivery' were references to Sublease Delivery;
- (ii) 'Indemnatee' included the Sublessor;
- (iii) 'Lease Term' were references to the Term;
- (iv) 'Lessee' were references to the Sublessee;
- (v) 'Lessor' were references to the Sublessor;

- (vi) 'redelivery or return' were references to redelivery of the Aircraft in accordance with clause 9;
- (vii) 'Event of Default' included a Lease Event of Default; and
- (viii) 'this GTA' and 'this Aircraft Engine Lease Agreement' were references to this Sublease,

provided that Sublessor and Sublessee may agree from time to time that Sublessor instead of Sublessee shall be responsible for any insurance, maintenance or repairs, in which event Sublessor shall be responsible for and shall carry out these matters.

5.5 Outgoings, maintenance costs

As between the Sublessor and the Sublessee:

- (a) costs, expenses, charges and other outgoings related to the use and operation of the Engine (including repairs, maintenance storage, transport, housing and servicing);
- (b) licence and registration fees and other amounts of any nature imposed by any Government Entity with respect to the Engine, including the ownership (but only to the extent relating to or arising as a result of the leasing, possession, operation, use or maintenance of the Engine), delivery, leasing, possession, use, operation or return of the Engine;
- (c) rent, fees, charges and other amounts in respect of any premises where the Engine is located from time to time; and
- (d) premiums and other costs and expenses in relation to the Insurances, to the extent relating to the Engine,

shall be paid by Sublessor and/or Sublessee, as the case may be, in accordance with the Aircraft Engine Lease Agreement.

5.6 Inspection

- (a) Sublessee shall at all times during the Term permit any persons (each an **Inspecting Party**) designated by Sublessor in writing upon reasonable prior notice to undertake an external visual inspection of the Engine (without any disassembly), its condition, use, and operation and also inspect and make copies of (where practicably possible) the relevant Approved Maintenance Programme, the AMM, the flight manual, the manuals and mechanical records relating to the Engine, and all other records maintained in connection with the Engine. Sublessee shall also permit any persons designated by Sublessor in writing and/or its authorised agents and representatives to visit and inspect the maintenance and operational facilities effecting the maintenance and operation of any Engine, at such times and as often as Sublessor may reasonably request. All such inspections in respect of the Engine shall (including if such inspection occurs during an engine shop visit for the Engine) take place at such times and in such manner as will comply with Sublessee's occupational health and safety and security requirements and provided that:
 - (i) if no Event of Default or Lease Default has occurred and is continuing at such time, Sublessor shall provide reasonable notice of such inspections, shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations and shall only be entitled to request one (1) such inspection in respect of the Engine per calendar year;

- (ii) if an Event of Default is continuing at such time, or if a Lease Default which is not a Lease Event of Default is continuing at such time, Sublessor shall provide reasonable notice of such inspections and shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations; or
 - (iii) if an Event of Default or a Lease Event of Default has occurred and is continuing at such time, Sublessor shall be entitled to inspect at any time on reasonable notice.
- (b) Each such inspection shall be at the sole risk of each Inspecting Party. Any such inspection shall be at no cost to Sublessee unless a Lease Default has occurred and is continuing (or such inspection is being carried out so as to establish that events which gave rise to the occurrence of a Lease Default previously have been remedied to the satisfaction of Sublessor), in which case Sublessee shall reimburse Sublessor for all costs and expenses reasonably incurred in conducting any such inspection in excess of one per calendar year. Neither Sublessor nor any person designated by Sublessor as provided above shall have any duty to make any such inspection and neither Sublessor nor any person designated by Sublessor as provided above shall incur any liability or obligation by reason of making or not making such inspection.

5.7 PPSA

- (a) The Sublessor and Sublessee each agree to do anything (including obtaining consents, signing and producing documents, procuring that documents are completed and signed and supplying information) within its reasonable control and which the Sublessor or the Lessor requests and reasonably considers necessary for the purposes of:
- (i) ensuring that any Security Interest in relation to the Engine or this agreement is enforceable, perfected and otherwise effective; or
 - (ii) enabling the Lessor to apply for any registration, complete any financing statement or give any notification, in connection with any Security Interest; or
 - (iii) enabling the Lessor to exercise rights in connection with any Security Interest.
- (b) The Sublessor and Sublessee each agrees to cause any financing statements required of it pursuant to this clause 5.7 to be registered at such times as reasonably directed by the Lessor.
- (c) Neither the Lessor nor the Sublessor need give any notice under the PPSA (including a notice of verification statement) unless the notice is required by the PPSA and the requirement to give it cannot be excluded or has not been excluded by this clause 5.7.
- (d) The Sublessor and Sublessee are not required to, and must not without the other party's consent, disclose any information of the kind referred to in section 275(4) of the PPSA unless section 275(7) of the PPSA applies.
- (e) The Sublessee agrees with the Sublessor:
- (i) that it will not change its name without first giving 14 days prior notice in writing to the Sublessor; and
 - (ii) that it will promptly do anything which the Sublessor or the Lessor may reasonably request to enable the Sublessor or the Lessor to perfect and

maintain perfection of any Security Interest intended to be created by this agreement including providing serial numbers and other details of the Engine required by the Sublessor to register a financing statement in respect of the Engine; and

- (iii) that it waives the right to receive a verification statement under section 148 of the PPSA in respect of any financing statement or any financing change statement registered by the Sublessor in respect of the Engine.
- (f) The terms financing statement, financing change statement, security interest and verification statement which are used in this clause shall have the respective meanings specified in the PPSA.
- (g) Neither the Sublessor nor the Sublessee may do anything which would otherwise be required to be done under this clause 5.7 if to do so would prejudice any security interest of the Lessor which relates to the Engine

6. Loss and Damage

- (a) If a Total Loss occurs prior to delivery of the Engine to the Sublessee, this agreement shall immediately terminate, and except as expressly stated in this agreement neither party will have any further obligation or liability under this agreement
- (b) If a Total Loss occurs after Sublease Delivery, the Sublessee shall on or prior to the earlier of:
 - (i) 30 days after the Total Loss Date; and
 - (ii) the date of receipt of insurance proceeds in respect of that Total Loss,
 pay to the Sublessor all Rent and all other moneys due and payable by the Sublessee under the Sublease Documents but unpaid.
- (c) If a Total Loss of the Engine occurs during the Term, Rent shall cease to be payable in respect of the period after the date on which the amounts described in clause 6(a) are paid in full and on payment of those amounts, this Sublease shall immediately terminate, but without prejudice to the vested or continuing obligations of the Sublessee (as to payment, indemnity or otherwise) under the Sublease Documents and the Sublessor and the Sublessee shall proceed diligently and cooperate fully with each other in the recovery of the Total Loss Proceeds. The parties acknowledge and agree that, as between Sublessor and Sublessee, Sublessor is entitled to, and may retain, all Total Loss Proceeds.

7. Default Termination

7.1 Sublessor's rights upon default

- (a) If a Lease Event of Default has occurred and is continuing the Sublessor at its option may demand that the Sublessee pay to the Sublessor on the date specified in the demand all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) If a Lease Event of Default has occurred and is continuing, the Sublessor shall be entitled (in addition to making any demand under clause 7.1(a)) to:
 - (i) proceed by appropriate court action or actions to enforce performance by the Sublessee of the applicable covenants and terms of this agreement or to recover damages for the breach thereof; or

- (ii) by notice in writing to the Sublessee, terminate this Sublease. Upon such notice to the Sublessee:
 - A. actual or contingent rights of the Sublessee to or in the use of the Engine terminate, but the Sublessee remains liable as provided in this clause 7;
 - B. the Sublessee must pay to the Sublessor and the Sublessor may recover from the Sublessee, any and all damages and expenses which the Sublessor sustains by reason of the occurrence of any such Lease Event of Default or termination, together with the amount of legal fees and such expenses as shall be expended or incurred by the Sublessor in the seizure, storage or rental of the Engine or in the enforcement of any right or privilege hereunder or in any consultation advice or action in connection therewith; and
 - C. the Sublessor may directly or by its agents or contractors take possession of the Engine and for such purpose may enter any premises on which the Engine is located.

7.2 Rights upon termination

If the Sublessor terminates this agreement pursuant to clause 7.1 the Sublessor is entitled to retain all Rent and other moneys previously paid by the Sublessee to the Sublessor under this agreement.

7.3 Exercise of powers

No person dealing with the Sublessor in connection with the exercise by the Sublessor of any Power:

- (a) is bound to enquire whether any Lease Event of Default or Potential Lease Event of Default has occurred or otherwise as to the propriety or regularity of the exercise of such Power; or
- (b) is affected by notice express or otherwise that any such exercise is unnecessary or improper,

and notwithstanding any irregularity or impropriety therein such exercise is, as regards the protection of such person, deemed authorised and is valid and effectual accordingly.

7.4 Remedies cumulative

- (a) The Powers in this clause 7 in favour of the Sublessor are:
 - (i) not exclusive; and
 - (ii) are cumulative and are in addition to all other remedies in its favour existing at law, in equity or in bankruptcy.
- (b) The election at any time to enforce any such Power in no way bars the later enforcement from time to time of any such Power or any other remedies.

7.5 Repudiation of this agreement

It is expressly agreed that the non-occurrence of a Lease Event of Default is an essential and fundamental term of this agreement and the occurrence of such an event will amount to a repudiation by the Sublessee of this agreement. Should the Sublessor terminate this agreement following any such breach, non-observance or non-performance then, without

prejudice to any other right or remedy of the Sublessor contained or implied in this agreement, it is expressly agreed that the Sublessor is entitled to recover from the Sublessee damages for such breach and for the loss of its bargain in addition to the sums referred to in clause 7.1(a).

8. Other termination

8.1 Scheduled termination

- (a) Provided that this Sublease has not otherwise terminated, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the Scheduled Termination Date, pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) Upon payment of the relevant amounts referred to in clause 8.1(a), this Sublease terminates.

8.2 Payment on termination of Head Lease

- (a) In the event that the Head Lease is terminated prior to the Scheduled Termination Date, this Sublease terminates.
- (b) Provided that this Sublease has not otherwise terminated under clause 7.1 or clause 8.1, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the date of termination of this Sublease under clause 9(a), pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.

9. Redelivery

- (a) On the Termination Date (except where a Total Loss has occurred), Sublessee shall redeliver the Engine to Sublessor at the place, and in the condition, specified in the Aircraft Engine Lease Agreement or, if the Termination Date is the Lease Termination Date, at the relevant Redelivery Location in the Redelivery Condition applicable to the Engine.
- (b) Unless otherwise agreed between the Sublessor and the Sublessee:
 - (i) all costs and expenses of such compliance shall be borne by Sublessee; and
 - (ii) if any of the foregoing requirements of this clause 9 are not satisfied at the time of redelivery of the Engine, Sublessee must promptly remedy any deficiency.

10. General indemnity

10.1 General Indemnity

Sublessee agrees at all times, and whether or not the Engine, any part or any of the manuals and technical records are in the possession of Sublessee at such time, to assume full liability for and to indemnify and hold harmless Sublessor on a full indemnity basis, and on demand, from and against all expenses suffered or incurred by, imposed on or asserted against Sublessor relating to or arising directly or indirectly in any manner or for any cause or reason whatsoever out of:

- (a) the Engine, any part or any of the manuals and technical records; or

- (b) the capacity, age, airworthiness, durability, description, specific configuration, design, manufacture, workmanship, materials, construction, inspection, testing, delivery, acceptance, import (including the import of the Engine into Australia), export (including the export of the Engine from Australia at the end of the Term), ownership, registration, deregistration, possession, repossession, control, use or non-use, location, operation, transportation, presence, purchase, leasing, sub-leasing, chartering, insurance, maintenance, repair, refurbishment, condition, replacement, existence, preparation, installation, performance, fitness or satisfactoriness for any particular use or purpose, service, overhaul, modification, change, alteration, substitution, destruction, mechanical failure, loss, damage, removal, storage, re-lease, sale, other disposition, return, transfer, abandonment or re-delivery of or on (as applicable) the Engine, any part or any manuals and technical records; or
- (c) any loss, destruction or damage to any property, any death or injury to any person or any other loss of whatsoever nature suffered by any person to the extent caused by, relating to or arising out of (in each case whether directly or indirectly) any of the matters referred to in clause 10.1(a) or clause 10.1(b) above; or
- (d) the imposition of any Security Interest (other than a Sublessor's Security Interest) on the Engine, any part or any of the manuals and technical records or the incurrence of any liability to refund or pay over any amount as the result of any such Security Interest (other than a Sublessor's Security Interest); or
- (e) any latent or other defects or deficiencies in the Engine or any part, whether or not discoverable, known or unknown, apparent or concealed, exterior or interior; or
- (f) any design, article, component or material in the Engine or any part or the operation or use thereof constituting an infringement of any patent, trademark, copyright or other intellectual property right or any other right whatsoever; or
- (g) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Engine, or in securing the release of the Engine or in connection with and following a Total Loss of the Engine; or
- (h)
 - (i) any default in payment by Sublessee of any sum payable by Sublessee under this agreement or any other Sublease Document when due or any other default by Sublessee in the due and punctual performance of its obligations under this agreement or any other Sublease Document;
 - (ii) any action or work undertaken by, or at the behest of, Sublessor in establishing that such a default has occurred (but only if that action or work results in a default being substantiated); or
 - (iii) any exercise by Sublessor of its rights and remedies under the Sublease Documents or under applicable law, or any action taken by Sublessor to preserve such rights and remedies, following any such breach or default or any Rent or other amount payable by Sublessee under the Sublease Documents being paid or payable other than on its due date; or
- (i) the enforcement of this clause 10 and/or any other indemnity provided by Sublessee for the benefit of Sublessor pursuant to the Sublease Documents; or
- (j) after Sublease Delivery, all expenses suffered or incurred by, imposed on or asserted against Sublessor with respect to the Engine which arise out of or are attributable to any of the events or circumstances described in clause 10.1(a) to 10.1(i) above which occur prior to Sublease Delivery.

10.2 Exceptions to General Indemnity

The general indemnity provided for in clause 10.1 will not extend to any of the following expenses of Sublessor to the extent that such expenses are:

- (a) suffered or incurred as a consequence of the fraud, gross negligence, or wilful misconduct of Sublessor; or
- (b) attributable to the Sublessor's Security Interest; or
- (c) amounts payable by Sublessor to an Indemnitee under the GTA unless Sublessee has expressly agreed to be responsible for any or all such expenses elsewhere in this agreement or any other Sublease Document; or
- (d) caused by any breach by Sublessor of any express provisions of, or the default of Sublessor in its performance of any of its express obligations under, this agreement or any other Sublease Document unless such breach or default occurred as a result of a breach by Sublessee of any of its obligations under the Sublease Documents; or
- (e) caused by any representation or warranty made or deemed to be made by Sublessor under any of the Sublease Documents being materially incorrect at the date when made or deemed to be made; or
- (f) expenses which relate to the Engine which are attributable to any actions of Sublessor or any other events which, in either case, occur after the end of the Term, except to the extent those expenses are attributable to any acts, events or circumstances (not excluded by another paragraph of this clause 10.2 occurring prior to the end of the Term); or
- (g) expenses which Sublessor has expressly agreed to be responsible for under the terms of this agreement or any other Sublease Document; or
- (h) expenses attributable to any storage, re-lease, sale or other disposal of the Engine by Sublessor, unless such storage, re-lease, sale or disposal has resulted from, been caused by or occurs after the occurrence of an Event of Default or Sublessee has expressly agreed to be responsible for any or all such expenses; or
- (i) expenses which constitute ordinary and usual administrative or overhead expenses of Sublessor, except to the extent that the same arise as a result of or in connection with or following the occurrence of an Event of Default or are made expressly the responsibility of Sublessee under the provisions of this agreement or any other Sublease Document; or
- (j) covered by another indemnity provision contained in this agreement or any other Sublease Document and Sublessee has paid such expenses in full pursuant to such other provision; or
- (k) a consequence of, or are greater as a consequence of, the assignment, transfer, disposal or grant of a Security Interest by Sublessor in respect of its interest in the Engine or the Sublease Documents unless such assignment, transfer, disposal or grant of a Security Interest is expressly contemplated by this agreement or another Sublease Document or is in connection with an exercise of remedies following an Event of Default which is continuing; or
- (l) a loss in value of the Engine (except where the loss in value is attributable to a breach by the Sublessee of any Sublease Document and is a loss in respect of which the Sublessor is not entitled to an indemnity or liquidated damages payment under any other provision of a Sublease Document).

10.3 Continuation of Indemnities

The indemnities by Sublessee in favour of Sublessor contained in this clause 10 or any other provision of the Sublease Documents shall continue in full force and effect notwithstanding the termination or expiry of the leasing of the Engine to Sublessee or the termination or expiry of any Sublease Document.

10.4 Primary Obligation

Sublessee shall be obliged to make all payments due from it under this clause 10 and under any other indemnity provided by Sublessee pursuant to the Sublease Documents irrespective of whether Sublessor shall also be indemnified, guaranteed or insured with respect to any such matter by any other person, and Sublessor shall be entitled to proceed directly against Sublessee under this clause 10 or under any other indemnity provided by Sublessee pursuant to the Sublease Documents without first resorting to its rights under such other indemnity, guarantee or insurance.

10.5 Sublessee's Assistance

Sublessee shall provide Sublessor with such information which is in the possession or control of Sublessee, or is otherwise reasonably available to Sublessee, as Sublessor may reasonably request and Sublessee shall otherwise cooperate with Sublessor so as to enable Sublessor to defend any action, suit or proceeding brought against Sublessor in respect of any expense for which Sublessee is responsible under this clause 10, provided that nothing contained in this clause 10 shall be deemed to require Sublessor to contest any expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

11. General

11.1 Without prejudice acceptance of Rent

Acceptance of any payment of Rent by the Sublessor is without prejudice to the exercise by the Sublessor of the rights, powers and remedies conferred upon it under this agreement or any other Power of the Sublessor under this agreement and does not operate as an election by the Sublessor either to exercise or not to exercise any of such rights powers or privileges.

11.2 Non-payment by Sublessee

- (a) If the Sublessee omits or neglects to pay any money or to do or effect anything which the Sublessee has covenanted to pay, do or effect under this agreement and notice of that omission or neglect has been duly given to the Sublessee, then on each and every such occasion the Sublessor may, but is not obligated to, and without prejudice to any other Powers arising from such default, pay money or do or effect such thing by it as if it were the Sublessee.
- (b) For the purpose of an act pursuant to clause 11.2(a) the Sublessor, as if it were the Sublessee and at the expense of the Sublessee, may enter upon any premises where the Engine is located and there remain for the purpose of doing or effecting any such thing.
- (c) The Sublessee must on demand reimburse the Sublessor for any amount paid by it under clause 11.2(a).

11.3 No partnership

- (a) Nothing contained in this agreement creates the relationship of partnership or of principal and agent or of joint venturers between the Sublessor and the Sublessee.

- (b) It is further understood and agreed that neither the method of computation of Rent nor any other provision contained herein nor any acts of the Sublessor and the Sublessee, is to be deemed to create any relationship between them other than the relationship of lessor and lessee upon the terms and conditions only as provided in this agreement.

11.4 Possession and quiet enjoyment

Subject to:

- (a) the Sublessee paying the Rent and duly and punctually observing and performing its covenants, obligations and provisions under this agreement;
- (b) the rights of the Lessor under the Head Lease; and
- (c) the term of this agreement,

the Sublessee may peaceably possess and enjoy the Engine during the Term without any interruption or disturbance from the Sublessor or any other person or persons lawfully claiming by, from or under the Sublessor.

11.5 Title

Save for any right or interest provided for in this agreement or by operation of law, the Sublessee has no interest in the Engine other than as bailee.

11.6 Reinstatement of Rights

- (a) Under law relating to liquidation, administration, insolvency or the protection of creditors, a person may claim that a transaction (including a payment) in connection with the Rent is void or voidable. If a claim is made and upheld, conceded or compromised, then the Sublessor is immediately entitled as against the Sublessee to the rights in respect of the Rent to which it was entitled immediately before the transaction.
- (b) The Sublessee's obligations under this clause are continuing obligations, independent of the Sublessee's other obligations under this agreement and continue after this agreement end.

12. Miscellaneous

12.1 No derogation

Any rights or remedies given to a party in this agreement are additional to and not in derogation of any other rights or remedies of that party conferred or implied by law.

12.2 Binding effect

This agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.

12.3 Assignment

- (a) The Sublessee may not assign, transfer, grant an Security Interest over or otherwise deal with its rights or obligations or interests under this agreement except with the prior consent of the Sublessor.
- (b) The Sublessor may assign, transfer, grant an Security Interest over or otherwise deal with its rights under this agreement.

- (c) If the Sublessor transfers or assigns any of its rights or obligations under this agreement, the Sublessee is not required to pay any net increase in the amount of costs, Taxes, fees or charges which are a consequence of the transfer or assignment.

12.4 Notices

- (a) Any notice or other communication including any request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English addressed as shown below:
- A. if to the Sublessor:
- Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- B. if to the Sublessee:
- Address: 56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- or as specified to the sender by any party by notice;
- (ii) where the sender is a company, must be signed by an Officer or under the common seal of the sender;
- (iii) is regarded as being given by the sender and received by the addressee:
- A. if by delivery in person, when delivered to the addressee;
- B. if by post, on delivery to the addressee; or
- C. if by email communication, on the electronic communication entering a system outside the control of the sender, or the first of those systems where the electronic communication enters successively 2 or more systems,,
- but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day; and
- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 12.4(a)(iii) and informs the sender that it is not legible.

- (c) In this clause 12.4, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or any person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

12.5 Governing law and jurisdiction

- (a) This agreement is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Queensland.
- (c) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each party irrevocably waives any immunity in respect of its obligations under this agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

12.6 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of this agreement, or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of this agreement, which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Unless application is mandatory by law, no statute, proclamation, order, regulation, ordinance or moratorium, present or future, applies to this agreement so as to abrogate, extinguish, impair, diminish, fetter, delay or otherwise prejudicially affect any Powers given to or accruing to any party or the covenants or provisions of this agreement or affects, prejudices or abridges any of the rights, remedies and powers of any party, statutory or otherwise.

12.7 No amendment

Other than as contemplated by this agreement, this agreement may not be amended or varied except in writing signed by the parties.

12.8 Waivers

- (a) Waiver of any right arising from a breach of this agreement or of any Power arising upon default under this agreement, or upon the occurrence of a Lease Event of Default must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (i) a right arising from a breach of this agreement, or the occurrence of a Lease Event of Default; or
 - (ii) a Power created or arising upon default under this agreement, or upon the occurrence of a Lease Event of Default,
 - (iii) does not result in a waiver of that right or Power.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a Power arising from a breach of this agreement or on a default under this agreement, or on

the occurrence of a Lease Event of Default as constituting a waiver of that right or Power.

- (d) A party may not rely on any conduct of another party as a defence to exercise of a Power by that other party.
- (e) No waiver by one party of a breach of any covenant, obligation or provision in this agreement operates as a waiver of another breach of the same or any covenant, obligation or provision in this agreement.
- (f) This clause may not itself be waived except by writing.

12.9 Counterparts

This agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument, and either of the parties may execute this agreement by signing any such counterpart.

12.10 Non-revocation

Each of the undermentioned attorneys respectively declares that the attorney has not received notice of revocation of the power of attorney under which the attorney has executed this agreement.

Schedule 1 - Engine

Engine Type	Manufacturer	Engine Model	Serial Number
CFM56-7B	CFM International	CFM56-7B26/3	896999

Schedule 2 - Form of Certificate of Acceptance

We refer to the Engine Sublease Agreement (**Sublease**) dated *[insert date]* relating to the engine described below between **VB LeaseCo Pty Limited (Sublessor)** and **Virgin Australia Airlines Pty Limited (Sublessee)**.

This acceptance certificate is executed by the Sublessor and the Sublessee to confirm that on the date of this acceptance certificate at *[insert location]* each of the following described engines (each an **Engine**) was delivered by the Sublessor to the Sublessee and was accepted by the Sublessee subject to the provisions of the Sublease Documents.

Manufacturer:	Model	MSN

The Sublease Documents are hereby confirmed by the parties hereto:

The terms used in this acceptance certificate will have the same meaning as in the Sublease.

The Sublessee hereby confirms that:

1. the Engine has been examined by an authorised representative of the Sublessee and that such examination shows that the Engine was plainly and distinctly marked with the manufacturer's serial number set forth above;
2. the Engine was duly accepted by the Sublessee for leasing under the Sublease Documents;
3. the Engine became subject to and governed by the provisions of the Sublease Documents;
4. the Sublessee became obliged to pay to the Sublessor the Rent provided for in the Sublease Documents;
5. the Engine is insured in accordance with the Sublease Documents; and
6. no Total Loss has occurred in respect of the Engine.

This acceptance certificate is intended to be delivered by the Sublessee to the Sublessor in [].

IN WITNESS WHEREOF, the Sublessor and the Sublessee have hereunto set their hands the day and year first above written.

Schedule 3 - Conditions precedent

1. An original of each Sublease Document, duly executed by all parties to it.
2. Satisfactory registrations and searches of the Personal Property Securities Register.
3. A copy of a copy of a power of attorney granted by the Sublessee, authorising execution of the Sublease Documents by the Sublessee.

Schedule 4 - Lease Events of Default

It is a Lease Event of Default, whether or not it is within the control of the Sublessee, if:

1. **(failure to pay)**: the Sublessee fails to pay any amount when due and payable by it under the Sublease Documents, and the Sublessee does not remedy the failure within 3 Business Days (in the case of a scheduled payment) or 5 Business Days (in the case of a non-scheduled payment) after receipt by the Sublessee of a notice from the Sublessor specifying the failure;
2. **(other failure)**: the Sublessee fails to perform any other undertaking or obligation of it under any Sublease Document and the Sublessee does not remedy the failure within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
3. **(misrepresentation)**: any representation or warranty or statement of the Sublessee under a Sublease Document is incorrect or misleading when made or repeated and the circumstances giving rise to that representation, warranty or statement being incorrect or misleading are not remedied within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
4. **(cross default)**: any Indebtedness of the Sublessee in an amount in excess of \$25,000,000 (or its equivalent in another currency) is not paid when due (after taking into account any applicable grace period);
5. **(Security Interest)**: any Security Interest securing an amount exceeding \$25,000,000 (or its equivalent in another currency) is enforced against an asset of the Sublessee;
6. **(judgment)**: a judgment in an amount exceeding \$25,000,000 (or its equivalent in another currency) is obtained against the Sublessee and is not stayed, set aside or satisfied within 30 days;
7. **(execution)**: a distress, attachment, execution or other process of a Government Entity is issued against, levied or entered upon an asset of the Sublessee in an amount exceeding \$25,000,000 (or its equivalent in another currency) and is not set aside or satisfied within 30 days;
8. **(Controller)**: a Controller is appointed to the Sublessee or over an asset or assets of the Sublessee with an aggregate value exceeding \$25,000,000;
9. **(suspends payment)**: the Sublessee suspends payment of its debts generally;
10. **(insolvency)**: the Sublessee is, or under legislation is presumed or taken to be, insolvent (other than as a result of a failure to pay a debt or claim the subject of a good faith dispute in which event this Event of Default is only taken to have occurred if the dispute is not set aside or dismissed within 30 days of being commenced); or
11. **(arrangements)**: the Sublessee enters into or resolves to enter into composition, assignment or arrangement with any creditor of Sublessee, otherwise than for the purpose of a solvent amalgamation or reconstruction; or
12. **(ceasing business)**: the Sublessee ceases to carry on business; or
13. **(Insurances)**: the Sublessee does, or omits to do, anything which renders an Insurance ineffective.

Signed as an agreement.

Sublessor

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:

Signature of witness

BILLY MAMBERKY

Full name of witness

Sublessee

Signed for and on behalf of **Virgin Australia Airlines Pty Limited (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:

Signature of witness

BILLY MAMBERKY

Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Dated June 14, 2019

**VB LeaseCo Pty Ltd
as Assignor**

and

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity but solely as owner trustee
as Assignee**

**SUBLEASE SECURITY ASSIGNMENT
relating to One (1) CFM International Inc CFM56-7B Engine with
ESN 896999**

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**THIS DEED OF SECURITY ASSIGNMENT is made on June 4, 2019
BETWEEN:**

- (1) **VB LeaseCo Pty Ltd**, a company incorporated and existing under the applicable of Australia, whose registered office is at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia (the "**Assignor**"); and
- (2) **WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION**, not in its individual capacity but solely as owner trustee (the "**Assignee**").

WHEREAS:

- (A) By an aircraft engine lease agreement dated 4 June 2019 (the "**Lease Agreement**") and made between the Assignee as lessor and the Assignor as lessee, the Assignee agreed to lease to the Assignor and the Assignor agreed to lease from Assignee one (1) Engine for the period and upon the terms and conditions therein contained.
- (B) By a sub-lease agreement dated 4 June 2019 (the "**Sublease Agreement**") and made between the Assignor as sublessor and Virgin Australia Airlines Pty Limited (the "**Sublessee**") as sublessee, the Assignor agreed to sublease to the Sublessee and the Sublessee agreed to sublease the Engine for the period and upon the terms and conditions therein contained.
- (C) The Assignor has agreed to enter into this Assignment as security for its obligations under the Lease Agreement.

THIS ASSIGNMENT WITNESSES as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Assignment words and expressions defined in the Lease Agreement (whether defined therein or incorporated by reference to another agreement) shall bear the same meanings unless otherwise defined herein and the following words and expressions have the following meanings, in each case unless the context otherwise required:

"Assigned Property" means all of the Assignor's present and future right, title and interest in and to the Sublease Agreement, including without limitation, (i) all the Assignor's rights, title, interest, benefits and claims under or pursuant to the Sublease Agreement howsoever and whensoever the same may arise or be or become exercisable or capable of being made, (ii) all payments due under the Sublease Agreement and all other rights of the Assignor to receive monies thereunder or pursuant thereto, (iii) the right to perform under the Sublease Agreement and to compel performance and otherwise exercise all rights and remedies under the Sublease Agreement, (iv) all claims, rights and remedies of the Assignor arising out of or in connection with a breach of or default under or in connection with the Sublease Agreement including all damages and compensation payable for or in respect thereof, (v) all rights to give and receive notices, reports, requests and consents, to make demands, to exercise discretions, options and elections under the Sublease Agreement and to take all other action thereunder, pursuant thereto or in connection therewith and (vi) to the extent not included in the foregoing, all proceeds of any and all of the foregoing (but does not include the Excluded Property).

"Engine" means the CFM International Inc CFM56-7B model aircraft engine bearing manufacturer's serial number 896999 as more fully described in the Lease Agreement.

"Excluded Property" means each and every amount paid or payable to the Assignor under or pursuant to the Sublease Agreement by way of or in satisfaction of an indemnity payment or claim personal to or for the direct benefit of the Assignor and/or any of its directors, officers, servants, agents and/or employees and which is not stated or intended pursuant to the Lease Agreement to fund any amount paid or payable by the Assignor under the Lease Agreement and any claims, rights, benefits, remedies and/or compensation in respect thereof.

"Secured Obligations" means all monies, liabilities and obligations whatsoever which are now or at any time hereafter may be due owing or payable by Assignor to Assignee pursuant to the Lease Agreement.

- 1.2 Clause headings and the table of contents are inserted for convenience of reference only, have no legal effect and shall be ignored in the interpretation of this Assignment.
- 1.3 In this Assignment, unless a contrary indication appears:
- (a) references to clauses and the Schedules are to be construed as references to the clauses of, and the Schedules to, this Assignment and references to this Assignment include the Schedules;
 - (b) references to (or to any specified provision of) this Assignment or any other document shall include this Assignment, that document or the relevant provision as it may from time to time be amended but so that the above is without prejudice to any requirement in any relevant document that the prior consent of any party to such relevant document be obtained and references herein to the "Lease Agreement" shall (unless otherwise specified in this Assignment) be deemed to include any amendment, supplement and novation thereof as the parties thereto may agree from time to time;
 - (c) a reference to an **"amendment"** includes a supplement, novation, restatement or re-enactment and **"amended"** will be construed accordingly;
 - (d) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;
 - (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated association or body of persons and any Government Entity, whether or not having separate legal personality and references to any party shall be construed so as to include the successors, permitted assignees and permitted transferees of the relevant party;
 - (f) references to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation;
 - (g) an Event of Default is **"continuing"** if it has not been remedied or waived;
 - (h) a reference to an **"approval"** shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority; and
 - (i) a reference to **"including"** shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

2 Representations and Warranties

Assignor hereby represents and warrants to the Assignee that:

- (a) Assignor has the full power and authority and legal right to execute, deliver and perform the terms of this Assignment and such execution, delivery and performance is duly authorised by all necessary corporate action of the Assignor (and such authority has not been altered, revoked or rescinded) and this Assignment constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms;

- (b) Sublease constitutes valid and binding obligations of the Assignor and is in full force and effect and has not been varied or modified in any way or cancelled and neither the Assignor nor (so far as Assignor is actually aware) the relevant Sublessee are in default thereunder nor has any Casualty Event occurred with respect to the Engine; and
- (c) Assignor has not prior to the execution of this Assignment, assigned, pledged, charged or otherwise encumbered the Assigned Property to or in favour of any person other than the Assignee.

3 Security Assignment.

- 3.1 To secure the due and punctual observance, performance and discharge of Secured Obligations, Assignor hereby assigns and agrees to assign the Assigned Property to the Assignee provided that the Assignor shall keep the Assignee fully and effectually indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Assignee by reason of the failure of the Assignor to perform any of its obligations pursuant to the Sublease and provided further that any or all monies and rights comprising the Assigned Property shall be payable to the Assignor and performed in accordance with the provisions regulating payment and performance thereof in the Sublease until such time as an Event of Default shall occur and be continuing under the Lease Agreement and the Assignee shall direct to the contrary, whereupon the Assignor shall forthwith, and the Assignee may, at any time thereafter, instruct the persons from whom such monies are then payable to pay the same to the Assignee or as it may direct.
- 3.2 To the extent that any of the Assigned Property is not at any time assigned pursuant to this Clause 3.1, the Assignor with full title guarantee, hereby by way of first fixed charge, charges and agrees to charge to, and agrees to create in favour of, the Assignee a general encumbrance in and over the Assigned Property to the fullest extent permitted by applicable law.
- 3.3 Any amount received by the Assignee pursuant to this Assignment shall be applied in discharging any sums then due and owing which are secured by this Assignment.
- 3.4 This security is in addition to, and shall not be merged in, or in any way prejudice, any other security interest, document or right which the Assignee may now or at any time hereafter hold or have.
- 3.5 The powers which this Assignment confers on the Assignee are cumulative, without prejudice to its powers under the general law and may be exercised as often as the Assignee thinks appropriate.
- 3.6 Upon payment or discharge of all of the Secured Obligations to the satisfaction of the Assignee, the Assignee, at no cost to Assignee, agrees to reassign to the Assignor all right, title, benefit and interest in the Assigned Property, without recourse or warranty, and execute and deliver to the Assignor such instrument as shall be reasonably required by the Assignor to evidence the satisfaction, release and discharge of this Assignment and the encumbrances created hereby, to release and discharge the Assigned Property, freed and discharged from the provisions herein contained and release of the Assignor from its covenants herein contained; provided that this Assignment shall be reinstated if at any time payment and performance of the Secured Obligations, or any part thereof, are, pursuant to applicable law, rescinded or reduced in amount or must otherwise be restored or returned by Assignee, whether as a "voidable preference", "fraudulent preference", "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made.

4 Notice of Assignment.

- 4.1 Assignor shall on the Sublease Delivery Date (as defined in the Sublease) give written notice of assignment to the Sublessee in the form substantially set out in Schedule 1 (*Form of Notice of Assignment to Sublessee*) of this Assignment and shall procure that the Sublessee executes and delivers to the Assignee an acknowledgement of assignment in the form substantially set out in Schedule 2 (*Form of Acknowledgement of Assignment from the Sublessee*) of this Assignment.
- 4.2 From time to time after the execution of this Assignment, the Assignor shall deliver to the Assignee evidence, in form and substance satisfactory to the Assignee that this Assignment has been delivered to and filed with all relevant authorities in Australia of the charges created or the security interests constituted by the Assignor pursuant to this Assignment.

5 Covenants.

Assignor hereby covenants with the Assignee that:

- (a) it will do or permit to be done each and every act or thing, in each case at no cost to Assignee, which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights in relation to the Assigned Property and under this Assignment;
- (b) it will not transfer, assign, sell, dispose of or otherwise alienate, nor will it create or permit to exist any mortgage, charge, pledge lien or other security interest whatsoever, howsoever created or arising, over any of its rights, title, benefit or interest under the Assigned Property; and
- (c) following the occurrence of an Event of Default which is continuing under the Lease Agreement the Assignor will not without the prior written consent of the Assignee, not to be unreasonably withheld or delayed, amend or modify any provision of the Sublease which would in any way be prejudicial to the Assignee's rights or agree or purport to do so.

6 Assignor Acknowledgements.

It is agreed that notwithstanding the provisions of this Assignment:

- (a) Assignor shall at all times remain liable to perform all the duties and obligations of the Assignor in relation to the Assigned Property to the same extent as if this Assignment had not been executed;
- (b) the exercise by Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to each Sub-Lessee under the Sub-Lease except to the extent that such exercise by the Assignee shall constitute performance of such duties and obligations;
- (c) Assignee shall not have any obligation or liability under the Assigned Property by reason of, or arising out of, this Assignment or be obliged to perform any of the obligations or duties of the Assignor under the Assigned Property or to make any payment or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder;
- (d) for so long as no Event of Default shall have occurred and be continuing under the Lease Agreement, the Assignor shall continue to be entitled to exercise its rights and powers under the Sublease but at any time following the occurrence and during the continuance of an Event of Default under the Lease Agreement Assignee shall be entitled to notify the Sublessee that the Assignee's rights as assignee have become exercisable, and after the delivery of such notice, during the continuance of such Event of Default, all such rights and powers shall be exercisable only by the Assignee;

- (e) Assignee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment made under the Assigned Property or received by it hereunder or to make any claim or take any other action to collect any monies or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee shall be entitled;
- (f) Assignee shall not be responsible in any way whatsoever in the event that the exercise by the Assignor of any of its rights or powers under the Assigned Property may be adjudged improper or to constitute a breach or repudiation of the Assigned Property by the Assignor; and
- (g) in the event of any circumstances whereby further performance of the Sublease becomes impossible or unlawful or is otherwise frustrated, such impossibility, unlawfulness or frustration shall not affect the validity of any payments already received by the Assignee pursuant to this Assignment.

7 Power of Attorney.

As security for the performance of the Secured Obligations and for conferring on the Assignee the benefit of the rights expressed to be conferred under this Assignment, the Assignor irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney with full power (in the name of the Assignor or otherwise) to carry out any of the Assignor's obligations under this Assignment, to ask, require, demand, receive, compound and give acquittance for any and all monies and advises for monies due or to become due, under or arising out of, the Sublease or the Assigned Property, to enforce any provision thereof, to give valid receipts and discharges, to endorse any cheques or other instalments or orders in connection therewith, and generally to file any claims or take any action or institute any proceedings which may seem necessary or advisable to the Assignee, for the purpose of putting into effect the intent of this Assignment. The powers conferred on the Assignee by this Clause shall only be exercisable by the Assignee following the occurrence and during the continuance of an Event of Default in payment or discharge of the Secured Obligations, but no party dealing with the Assignee as such attorney shall be bound to enquire as to whether this condition has in fact been satisfied.

8 Application of Proceeds.

If any sum paid or recovered in respect of the liabilities of the Assignor under this Assignment is less than the amount then due, the Assignee may apply that sum in accordance with the provisions of the Lease Agreement.

9 Continuing Security.

The security hereby constituted shall be a continuing security and shall not be discharged by reason of any matter which would otherwise discharge the Assignor from its obligations hereunder including without limitation, any variation of or amendment to Lease Agreement, except as provided for in Clause 3.6 above.

10 Further Assurance.

Assignor agrees at any time and from time to time, upon the request of the Assignee, to execute and deliver promptly and duly to the Assignee any and all such further instruments and documents which the Assignee may reasonably require, or which are required by law, for obtaining the full benefits of this Assignment and the Assigned Property and of the rights and powers herein granted.

11 Compliance.

If Assignor fails to comply with any provision of this Assignment, the Assignee may, without being in any way obliged to do so, or responsible for so doing and without prejudice to its ability

to treat that non-compliance as a default by the Assignor in the payment or discharge of any of the Secured Obligations effect compliance on the Assignor's behalf, whereupon the Assignor will become liable to pay immediately on receipt of written demand therefor any sums reasonably expended by the Assignee together with all reasonable costs and expenses (including reasonable legal costs) in connection therewith, together with interest, at the Post-Default Rate (without deduction, both after and before judgment) from the date of the Assignee's expenditure until payment.

12 Delays; Waivers; Rights Cumulative

No failure to exercise, and no delay on the part of the Assignee in exercising, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude the further exercise thereof. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13 Notices.

- 13.1 Any notice or other communication to be given under or for the purposes of this Assignment shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post, reputable courier or facsimile (subject, in the case of facsimile transmission, to the sender having posted a copy of the facsimile transmission to the notice address of the recipient on the date of transmission (but without prejudice to Clause 13.3)) to the relevant person at the following address or facsimile number (or such other address or facsimile number) as that person may have designated in writing from time to time to the person giving the notice):

Assignee: Address:

With a Copy to:

Assignor: Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld
4006, Australia
Attention: Steven Fouracre, Group Treasurer
Email: Steven.fouracre@virginaustralia.com
with a copy to: treasury.operations@virginaustralia.com

- 13.2 Any such notice or other communication shall be deemed to have been received by the recipient:
- (a) in the case of a letter which is hand delivered or delivered via courier, when actually delivered and, in the case of a letter which is sent by registered post, on the tenth day after posting (or on actual receipt if earlier); or
 - (b) in the case of transmission by facsimile, if transmitted during normal business hours in the place of receipt, at the time of transmission, and otherwise, when normal business hours next begin in the place of receipt.
- 13.3 Each person making a communication under this Assignment by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Assignment.

13.4 All communications and documents delivered pursuant to or otherwise relating to this Assignment shall either be in English or accompanied by a certified English translation prepared by a translator approved by the Assignee.

14 Partial Invalidity.

If at any time any one or more of the provisions of this Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15 Governing Law and Jurisdiction.

15.1 This Assignment is governed by English law without regard to any conflict of laws or rules which might result in the application of the law of another jurisdiction.

15.2 The Assignee and the Assignor irrevocably agree that the provisions set out in Section 26 of the GTA shall apply to this Assignment as if the same are set out herein *mutatis mutandis*.

15.3 Third Party Rights

(a) Unless expressly provided to the contrary in this Assignment and without prejudice to the interests of any assignee or any beneficiary of any assignment in the Assigned Property, no term of this Assignment is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Assignment.

(b) Notwithstanding any term of this Assignment, as between the Assignor and the Assignee, the consent of a third party is not required for any assignment, novation or other disposal of all or any of their respective rights or obligations, variation (including any release or compromise of any liability hereunder) or termination or discharge of this Assignment in accordance with the terms herein.

16 Miscellaneous.

16.1 Any settlement or discharge between the Assignee on the one hand and the Assignor and/or any other person on the other hand shall be conditional upon no payment to the Assignee by the Assignor or such other person forming part of the Secured Obligations being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.

16.2 This Assignment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which taken together shall constitute one and the same instrument.

16.3 This Assignment shall be binding upon and enure to the benefit of each of the parties hereto and its successors, permitted assigns and permitted transferees.

16.4 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Assignment.

THIS ASSIGNMENT HAS BEEN EXECUTED AS A DEED, AND IT HAS BEEN DELIVERED ON THE DATE STATED AT THE BEGINNING OF THIS ASSIGNMENT.

Schedule 1
Form of Notice of Assignment to Sublessee

From: Wells Fargo Trust Company, National Association
not in its individual capacity but solely as owner trustee (the "Lessor")
VB LeaseCo Pty Ltd the "Lessee")

To: _____ (the "Sublessee")

Date: _____

Dear Sirs,

One (1) [__] bearing manufacturer's serial number [__] (the "Engine")

We refer to:

- (a) the aircraft engine lease agreement dated _____ 2019 between [__] (the Lessor) and VB LeaseCo Pty Ltd (the "Lessee") relating to the Engine (the "Lease Agreement");
- (b) the sublease agreement dated _____ 2019 between the Lessee and the Sublessee relating to the Engine (the "Sublease Agreement"); and
- (c) the sublease security assignment dated _____ 2019 between the Lessor (as assignee) and the Lessee (as assignor), pursuant to which the Lessee assigned by way of security to the Lessor certain rights in relation to the Sublease Agreement (the "Assignment").

- 1 Unless otherwise defined herein, terms and expressions defined in the Lease Agreement shall have the same meanings when used in this Notice.
- 2 We hereby give you notice that, pursuant to the Assignment, the Lessee has assigned absolutely by way of security to the Lessor all of its right, title and interest (present, future, actual and contingent) in and to the Assigned Property (as defined in the Assignment) (which includes the Sublease Agreement).
- 3 After receipt by you from the Lessor of a notice to the effect that an Event of Default has occurred and is continuing under the Lease Agreement:
 - (a) the Lessor shall be entitled to enforce all or any of the Lessee's rights in respect of the Assigned Property (as defined in the Assignment) and you shall comply with the instructions of the Lessor in relation thereto to the exclusion of the Lessee; and
 - (b) all monies that may be payable by you under the Sublease Agreement forming part of the Assigned Property (as defined in the Assignment) shall be paid as the Lessor may direct.
- 4 Sublessee may be entitled to rely on such notice without the need to make further enquiries and shall have no liability to the Lessee for not making a payment or performing any obligation under the Sublease Agreement, so long as the Sublessee acts in accordance with the directions contained in such notice from the Lessor.
- 5 Each of the Lessee and the Lessor hereby acknowledges and confirms that, to the extent that payments are received by, or obligations are performed in favour of, the Lessor pursuant to this notice, such payment or performance shall operate to discharge pro tanto the obligations of the Sublessee under the Sublease Agreement.
- 6 Nothing herein or by virtue of the Assignment shall create or impose or be deemed as having created or imposed on you any increased or additional obligation or liabilities under the

Sublease Agreement or shall limit or waive or deemed as having limited or waived any of your rights or remedies under the Sublease Agreement.

- 7 This notice and the instructions contained in this Notice be amended or revoked without the written consent of the Lessor and the Lessee.
- 8 This notice and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.
- 9 Please acknowledge receipt of this notice and undertake to make payment and performance as aforesaid by signing the enclosed acknowledgement of assignment and returning one copy to each the Lessor and the Lessee.

Yours faithfully
[]
as Lessor

VB LeaseCo Pty Ltd
as Lessee

By: _____

By: _____

Title: _____

Title: _____

Schedule 2
Form of Acknowledgement of Assignment from the Sublessee

Dear Sirs

One (1) [___] bearing manufacturer's serial number [___] (the "Engine")

1. We acknowledge receipt of a Notice of Assignment dated _____, _____ (the "Assignment Notice") relating to an assignment (the "Assignment") between VB LeaseCo Pty Ltd (the "Assignor") and Wells Fargo Trust Company, not in individual capacity but solely as owner trustee, as assignee.
2. We acknowledge that the Assignment is effective to confer on you all the rights, title and interest of the Assignor under and as defined in the Assignment.
3. Unless otherwise defined herein, terms and expressions defined in the Notice shall have the same meanings when used in this Acknowledgement.
4. This Acknowledgement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.

Yours faithfully

as Sub-Lessee

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** in the presence of:

Signature of witness

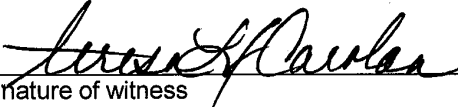
Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of witness

Full name of attorney

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Lease Finance Corporation** by its authorised signatory in the presence of:


Signature of witness


Signature of authorised signatory

Teresa Carolan

**Joseph H. Pugsley
Vice President**

Full name of witness

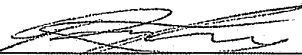
Full name of authorised signatory

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741) by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MURPHY

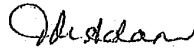
Full name of witness

Assignee

Signed for and on behalf of Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Lease Finance Corporation by its authorised signatory in the presence of:

Signature of witness

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Signature of authorised signatory

Full name of authorised signatory

Guarantee Confirmation

Wells Fargo Trust Company, National Association,
as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
MAC: U1228-051

Attn: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com
Telephone No.: +1 801-246-6000

With a copy to Beneficiary:
Willis Engine Structured Trust III
60 East Sir Francis Drake Blvd., Suite 209,
Larkspur, CA USA
Attn: General Counsel

14 June 2019

Dear Sirs

Guarantee confirmation

We refer to:

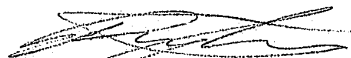
- 1. the Guarantee and Indemnity (**Guarantee and Indemnity**) between Virgin Australia Airlines Pty Limited (as **Guarantor**), Wells Fargo Trust Company, National Association as Owner Trustee (as **Lessor**) and VB LeaseCo Pty Ltd (as **Lessee**); and
- 2. the "General Terms Engine Lease Agreement" between the Lessor as "Lessor" and the Lessee as "Lessee" dated on or about 24 May 2019, as further amended from time to time (**GTA**); and
- 3. the Aircraft Engine Lease Agreement between the Lessor (as lessor) and the Lessee (as lessee) entered into pursuant to the GTA in respect of the following Engine CFM56-7B26/3, ESN 896999 (**Engine**) dated 14 June 2019 (the **Lease**).

This is a Guarantee Confirmation as contemplated by the Guarantee and Indemnity.

By executing this Guarantee Confirmation we confirm that the Lease is a "Lease" for all purposes of the Guarantee and Indemnity and that the Engine is an "Engine" for all purposes of the Guarantee and Indemnity, and that all of the obligations of the Guarantor under the Guarantee and Indemnity apply to the Engine and the Lease.

Executed as a deed.

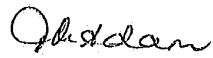
Signed, sealed and delivered for and on behalf of **Virgin Australia Airlines Pty Ltd (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MANNING

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

EQUIPMENT DELIVERY RECEIPT

FROM: VB LEASECO PTY LTD

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner
Trustee

The undersigned hereby acknowledges that on June 14, 2019, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III, delivered to VB LeaseCo Pty Ltd ("Lessee") that certain CFM International model number CFM56-7B26/3 aircraft engine, manufacturer's serial number 896999 (the "Engine"), and Engine Stand Cradle: P/N D71CRA00005G02, S/N MCC170335-1-1; Base: P/N D71TRO00005G03, S/N MCC170335-1-1 (the "Engine Stand"), QEC unit consisting of all the components set forth in Appendix A to the Lease, and all Engine records in Lessor's possession requested by Lessee, including a copy of the life-limited parts profile attached as Appendix B to the Lease, at the facility of Jet Engine Solutions, Carrollton, Texas U.S.A.. The undersigned further acknowledges receipt and acceptance of the Engine, Engine Stand, QEC unit and all such records and compliance thereof with all the terms and conditions of that certain Aircraft Engine Lease Agreement dated as of June 14, 2019 between Lessee and Lessor.

Dated June 14, 2019.

VB LEASECO PTY LTD

By: *T.M. McAdam*
Name: T.M. McADAM
Title: Attorney

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UCC, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

AIRCRAFT ENGINE LEASE AGREEMENT

This Aircraft Engine Lease Agreement ("Lease") is made and entered into as of 28 August 2019 by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III ("Beneficiary") and VB LEASECO PTY LTD, an Australian corporation ("Lessee").

WITNESSETH:

ARTICLE I Agreement to Lease:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease is entered into pursuant to, and by this reference incorporates all the terms and conditions of, the General Terms Engine Lease Agreement dated as of May 24, 2019 (the "GTA") between Lessor and Lessee. Capitalized terms used but not defined herein shall have the respective meanings given such terms in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall control.

ARTICLE II Lease Term:

The term of this Lease will commence on 28 August 2019 (the "Delivery Date") and will be a period of fifty (50) months ending on 27 October 2023 (the "Lease Term").

ARTICLE III Delivery/Redelivery Locations:

The Equipment will be delivered to Lessee EXW the facility of BP Aero, Irving, Texas, and upon termination of the Lease, the Equipment will be redelivered to Lessor DDP the facility of Willis Asset Management Limited, Bridgend, Wales, or a location in the State of Florida, U.S.A. as determined by Lessor. To coordinate return of the Engine and its Engine records, Lessee should contact the Contract Administration Department of Willis Lease Finance Corporation, as Servicer at +1 415-408-4700.

ARTICLE IV Equipment:

Engine Make	Engine Model	Engine Serial No.	As of August 7, 2019		Engine Stand Serial No.
			Total Time Since New	Total Cycles Since New	
CFM International	CFM56-7B24*	888473	49,263.58	41,644	Cradle: P/N D71CRA00005G02, S/N MCC150728-1-3 Base: P/N D71TRO00005G03, S/N MCC150728-1-3

Equipment includes, together with the Engine and Engine Stand listed above, (i) a QEC kit consisting of all the components set forth in Appendix A hereto, (ii) all Engine parts and attachments, and (iii) all Engine records, including a copy of the life-limited parts profile attached as Appendix B hereto, in the possession of Lessor requested by Lessee and all Engine records generated by Lessee during the Lease Term. Failure by Lessee to return any item of Equipment to Lessor, or failure to return any item of Equipment in accordance with the requirements of the Lease, upon termination of the Lease shall result in Lessor purchasing such item(s) on behalf of Lessee at up to full list price and invoicing Lessee for such cost plus a handling fee equal to 15% of such cost, which fee is capped at \$5,000.00 per item. Lessee shall pay such invoice within 30 days of receipt.

The Engine described above is rated in excess of 550 horsepower. The Engine described above has 24,200 pounds of thrust and is only to be operated by Lessee or Sublessee at such thrust unless this Lease expressly permits Lessee or Sublessee to operate the Engine at different thrust(s) or Lessee has received Lessor's prior written consent to operate the Engine at a different thrust.

*The Engine is currently configured as a CFM56-7B24 and has 24,200 pounds of thrust. The Lessor hereby consents to the Engine being operated at any thrust within the manufacturer's approved limits which, for the avoidance of doubt, may be at a thrust higher than the thrust at Delivery provided that the cost of completing the Engine thrust conversion shall be borne by the Lessee. For the avoidance of doubt, the Lessor confirms that no additional fees, unless expressly provided for under this Lease, will be charged by the Lessor for changes in thrust configuration. Lessee will report the thrust at which the Engine is operating in its monthly utilization reports to Lessor.

ARTICLE V Agreed Value of Equipment: (See Schedule 1)

ARTICLE VI Lease Payments: (See Schedule 1)

ARTICLE VII Payments Due on Delivery: (See Schedule 1)

ARTICLE VIII Maintenance Costs:

Lessee to be responsible for equipment maintenance and repair costs in accordance with the GTA and this Lease.

ARTICLE IX Security Deposit: (See Schedule 1)

As a condition to delivery of the Equipment, Lessee shall pay to Lessor on the Delivery Date and shall maintain at all times during the Lease Term, as security for this Lease, an security deposit (the "Security Deposit") in the amount set forth in Schedule 1. Lessee shall not be entitled to any interest on the Security Deposit. Provided no Event of Default shall have occurred and be continuing, Lessor shall return the Security Deposit to Lessee upon the return of the Equipment to Lessor in the condition required by, and otherwise in accordance with all the return provisions of this Lease. Lessor shall not be required to apply the Security Deposit to cure any Event of Default under this Lease. Lessor must return the balance of any Security Deposit after deduction of costs, expenses, and damages due and payable by Lessee in accordance with the Lease Agreement.

ARTICLE X Beneficiary:

Beneficiary shall mean Willis Engine Structured Trust III. Beneficiary's Notice address is:

60 East Sir Francis Drake Blvd., Suite 209
Larkspur CA 94939 USA
Attn: General Counsel
Telephone No.: +1 (415) 408-4700
Fax No.: +1 (415) 408-4701

ARTICLE XI Lessor's Lender:

Lessor's Lender shall mean Deutsche Bank Trust Company Americas, as Security Trustee under the Security Trust Agreement dated as of August 4, 2017 between, inter alios, Lessor's Lender and Beneficiary, or if the Lessor so notifies Lessee in writing, shall mean any other party designated in writing by Lessor. Lessor's Lender's address is:

Deutsche Bank Trust Company Americas,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Lessor hereby notifies Lessee, and Lessee hereby acknowledges for the benefit of Lessor's Lender, that Lessor has granted a first priority security interest in the Lease and the Equipment to Lessor's Lender.

ARTICLE XII Payment Account:

Bank Name: Deutsche Bank Trust Co. Americas
ABA No.: 021001033
Acct No.: 00374723
Swift No.: BKTRUS33
Account Name: DBTCA as Trustee for WEST III Lessor Acct
Ref: MSN 897193 rental
Attn: Michele Voon T: 201-593-8420

or such other account as designated by Lessor in writing.

ARTICLE XIII Return of Equipment:

Lessee to be responsible for Equipment return in accordance with Section 18 of the GTA and this Lease.

ARTICLE XIV Subleases:

(a) Notwithstanding anything to the contrary in Section 17 of the GTA and so long as no Event of Default has occurred and is continuing, Lessee may sublease to the party listed on Schedule 1 ("Sublessee") and to such other sublessees as have been approved by Lessor in writing ("Permitted Sublessees") provided that (i) Lessee remains fully responsible to Lessor under the terms of the GTA, this Lease, (ii) the sublease is made expressly subordinate to the terms of the GTA and this Lease and the term of the Permitted Sublease shall not extend beyond the terms of the Lease, (iii) at the sole option of Lessor or Lessor's Lender, Lessee registers such sublease as an international interest with the International Registry created by the Cape Town Convention and causes the sublessee to register as a user of the International Registry system in order to effect registration of the sublease, and Lessee consents to any assignment of the sublease and assists in registering such assignment with the International Registry, (iv) Lessee will procure that any and all sub-lessees comply with all the covenants, undertakings and representations of Lessee to Lessor and (v) Lessor has received (a) a copy of Sublessee's approved maintenance program which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine, (b) an executed copy of the Permitted Sublease between Lessee and Sublessee, (c) an executed sublease assignment and related sublessee consent in form and substance reasonably satisfactory to Lessor in respect of the Permitted Sublease; (d) an executed sublessee subordination acknowledgement in form and substance reasonably satisfactory to Lessor from the Permitted Sublessee and Lessee; and (e) an executed power of attorney from Sublessee in form and substance satisfactory to Lessor and Lessor's Lender.

(b) Performance by Sublessee of the covenants set forth herein, whether expressed as obligations of Lessee or Sublessee, shall be deemed to satisfy the obligations of Lessee hereunder to the extent of the performance.

ARTICLE XV Additional Insureds and Loss Payee/Contract Party:

Casualty Insurance:

Sole Loss Payee:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Liability Insurance:

Additional Insureds:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns, as Security
Trustee, as trustee of the notes, and as operating bank
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Wells Fargo Trust Company, National Association
in its individual capacity and as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 U.S.A.
Attn: Corporate Trust Lease Group
Fax: +1 801.246.7142
Email: CTSLeaseCompliance@wellsfargo.com

Willis Lease Finance Corporation
as servicer, as administrative agent, as trust certificate holder and as prior owner participant
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

Willis Engine Structured Trust III
As owner participant and as issuer
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

BNP Paribas,
as liquidity facility provider
787 Seventh Avenue
New York, New York 10019 U.S.A.
Attention: Aviation Finance Group
Fax: (212) 841-2748
Email: dl.afgny.mo@us.bnpparibas.com

Wilmington Trust Company,
in its individual capacity and as Owner Trustee of the Issuer
1100 North Market Street
Wilmington, Delaware 19890-0001

ARTICLE XVI Trustee Capacity

It is understood and agreed that the Lessor is entering into this Lease solely in its capacity as owner trustee under a trust agreement and that Lessor shall not be liable or accountable in its individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets of the trust estate (as defined in such trust agreement).

ARTICLE XVII

Joinder:

Lessor and Lessee acknowledge that Lessor is an "Additional Owner Trustee", as contemplated by Section 29 of the GTA. Lessor hereby is made a party to the GTA and shall be deemed a "Lessor" for all purposes thereof as incorporated herein, and Lessor hereby agrees to be bound by the terms of the GTA as incorporated herein.

ARTICLE XVIII Additional Representation: As of the date of execution of this Lease, the Lessee was situated in a contracting state as defined in the Cape Town Convention.

ARTICLE XIX Survival: The representation, warranties, indemnities and any other agreement or obligations intended to survive the Lease Term shall survive the expiration, termination or cancellation of this Lease.

ARTICLE XX The GTA is amended as follows for this Lease only:

1. A new Section 4(h) is added to the GTA and reads follows:

"Letter of Credit

(a) The Lessee may at any time during the Lease Term, so long as no Event of Default has occurred and is continuing, deliver a Security Letter of Credit to the Lessor to replace the cash Security Deposit received by Lessor.

(b) Each Security Letter of Credit shall:

- (i) be denominated and payable in in an amount equal to the Security Deposit;
- (ii) be a first demand, irrevocable and absolute payment undertaking of the issuing bank payable on written demand without proof or evidence of entitlement or loss required;
- (iii) be addressed to the Lessor or its permitted nominee and provide for partial and multiple drawings (without terminating the remaining balance) and freely assignable and transferable to any assignee or transferee of the Lessor without any fees or costs charged to the Lessor or such assignee or transferee;
- (iv) be issued or confirmed and payable by an international bank, having a long-term unsecured rating of at least "A1" from Moody's or "A+" from Standard & Poor's (or the equivalent from Fitch Ratings) and otherwise reasonably acceptable to the Lessor;
- (v) be presentable for payment at sight at an office of the issuing or confirming bank at in San Francisco or a location otherwise agreed between the Lessor and the Lessee; and

- (vi) have a non-cancellable term of at least twelve (12) months or, if shorter, the remainder of the Term and (in the case of the Security Letter of Credit for the final year of the Term) be valid for at least one month after the Expiration Date.
- (c) The Lessor may make a demand under the Security Letter of Credit if:
- (i) the Security Letter of Credit is due to expire during the Lease Term and is not renewed or reissued or replaced by paying an amount equal to the Security Deposit to Lessor; or
 - (ii) an Event of Default has occurred and is continuing.
- (d) The amount drawn by the Lessor under the Security Letter of Credit will be applied by the Lessor in full or partial satisfaction of the Lessee obligation under the Lease.
- (e) If the Lessor draws any funds under the Security Letter of Credit then:
- (i) such drawing shall not be deemed a cure by the Lessee, or waiver by the Lessor or any other person, of any Event of Default unless and until the Lessee complies with its obligations in Section 4(h)(e)(iii);
 - (ii) any interest earned on the amounts so drawn shall be for the Lessor's sole account; and
 - (iii) the Lessee shall within ten (10) Business Days of demand by the Lessor, (A) provide the Lessor with a replacement Security Letter of Credit with a face value at least equal to, or (B) pay to the Lessor in cash an amount equal to, the Security Deposit less (x) any amount drawn under the Security Letter of Credit but not applied by the Lessor in satisfaction of the Lessee's obligations under the Lease (which amount shall constitute part of the Security Deposit amount) and (y) any other amount paid to the Lessor under this Section.
- (f) If the Security Deposit has been previously provided in cash, within ten (10) Business Days after receipt of a Security Letter of Credit, the Lessor shall pay to the Lessee an amount equal to the Security Deposit amount.
- (g) If a Security Letter of Credit is due to expire during the Lease Term or should otherwise cease to be legally valid and binding, the Lessee shall either (i) pay to the Lessor an amount equal to the Security Deposit amount or (ii) procure the renewal thereof or the issuance of a new Security Letter of Credit, in either case, at least five (5) Business Days before the expiry date of the then current Security Letter of Credit (or within five (5) Business Days of notice from the Lessor if the then current Security Letter of Credit ceasing to be legally valid and binding), it being understood that the renewed or re-issued Security Letter of Credit need only be valid with effect from the date of expiry of the previous Security Letter of Credit. The Lessor will return any expired Security Letter of Credit, any Security Letter of Credit which is replaced in accordance with this clause and any Security Letter of Credit which ceases to be legally valid and binding to Lessee promptly after it is replaced, expires or ceases to be legally valid and binding (as applicable).

(h) The Lessor shall return the Security Letter of Credit to the Lessee (or at the Lessee's request, to the issuing bank) not later than ten (10) Business Days after:

- (i) the (i) Lease Termination Date or (ii) receipt of the Security Deposit amount or (iii) another Security Letter of Credit in substitution for the Security Letter of Credit; and
- (ii) the Lessor is satisfied (acting in reasonably and in good faith) that all of the obligations under the relevant Lease then due and payable have been satisfied in full."

2. A new Section 6(d) is added to the GTA and reads follows:

"Notwithstanding anything to the contrary herein, and except as noted below, Use Fees collected for this Lease Agreement are reimbursable if a Qualifying Repair (as defined below) is required and Lessor agrees in writing that Lessee shall repair the Engine. In that case, Lessee shall arrange for induction of the Engine into a Lessor-approved maintenance center for maintenance according to a workscope that Lessor will provide in writing. Lessor will manage the maintenance in coordination with the Lessee. When the maintenance is complete to Lessor's satisfaction, and provided no Event of Default has occurred, Lessor will reimburse Lessee (or pay directly to the maintenance provider) the proportionate amount of any Use Fees that Lessor received from Lessee during the Term equal to the well-documented costs of the Qualifying Repair. Any Qualifying Repair costs that exceed the total Use Fees already accumulated under the Lease Agreement will be for Lessor's account. Use Fees are in all other circumstances non-reimbursable and nothing contained herein shall discharge or modify Lessee's responsibility for costs of repairs that are not Qualifying Repairs. In this Lease Agreement, "Qualifying Repair" means any off-wing Engine maintenance that is not caused by foreign object damage, accidents, improper transportation or mishandling of the Engine, Lessee's negligence, accidents or incidents, or any operational or maintenance related negligence, misuse, abuse or act or omission of Lessee or its agents during the Term."

3. Section 17.2 is deleted in its entirety and replaced by the following:

"The parties acknowledge and agree that the Equipment may be installed on airframe which is owned by or leased to Lessee or the Permitted Sublessee, provided that no Event of Default shall have been occurred and be continuing, and in any such case:

(a) Lessee or the applicable Permitted Sublessee has provided satisfactory evidence that the Lessee or the applicable Permitted Sublessee has title to such airframe and the airframe is free and clear of all Liens (except for Permitted Liens); or

(b) such other airframe is leased to the Lessee or the applicable Permitted Sublessee or owned by the Lessee or the applicable Permitted Sublessee subject to a conditional sale or other security agreement provided that if the Equipment will be installed on such airframe for more than one hundred fifty (150) days:

- (i) such airframe is free and clear of all Liens except (A) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (B) Permitted Liens; and

(ii) Lessee shall provide procure a written agreement from the owner and/or secured party of such airframe (which may be contained in the lease, conditional sale or security agreement covering such airframe), on terms reasonably acceptable to the Lessor, whereby such owner or secured party expressly agrees that (A) neither it nor its successors or assigns will acquire or claim any right, title or interest in any Equipment by reason of such Engine being installed on such airframe at any time while such Engine is subject to this Agreement and (B) either the Owner (or the Security Trustee) will be designated loss payee in respect of any loss or damage to the Engine or will acquire title to a replacement engine if the Engine is destroyed or title to that Engine is lost.

(iii) To the extent the requirement set out this Section 17.2 are satisfied, Lessee shall not be required to comply with Section 6(c)(iv)"

4. Section 18.1(a) is deleted in its entirety and replaced by the following:

"Time remaining: At the time the Equipment is returned to Lessor, the time in hours and cycles since new or the last Full Engine Refurbishment Shop Visit (as defined below) or Performance Restoration Shop Visit, as applicable, shall not be more than the hours and, if applicable, cycles since new or the last such applicable Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit on the Engine at delivery if the Engine has not been installed on any aircraft during the Lease Term. "Full Engine Refurbishment Shop Visit" means a full engine refurbishment workscope performed in accordance with the applicable Engine manufacturer's Workscope Planning Guide or Engine manufacturer's equivalent maintenance planning document. For the avoidance of doubt, Lessee may install the Engine on any aircraft during the Lease Term in accordance with the applicable provision of this GTA and will not be required to return the Equipment with prescribed return conditions limiting the Lessee's usage of the Engine provided that the Engine's full take-off power EGT margin shall be within the acceptable and serviceable range based on Lessee's operational experience with the particular engine model. Compensation for any difference between the condition of the Equipment at delivery and redelivery is provided for in subsection 18.1(b) below."

5. Section 18.1(b) is deleted in its entirety and replaced by the following:

"Compensation: Upon return of the Equipment, Lessee shall make a payment to Lessor to compensate Lessor for any difference between the condition of the Equipment on the Delivery Date and the condition of the Equipment at the time of return. Any available engine heavy maintenance and, if applicable, life-limited parts Use Fees, paid to Lessor by Lessee related to an Engine, may be utilized towards such respective payments due on the return of that particular Engine; provided, that such payments shall not be utilized for the repair of damage caused by Lessee or for the repair of defects caused by foreign objects or by operational abuse or misuse including, but not limited to, incorrect or unauthorized settings or overspeed or component failure. If the Engine did not undergo any Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit during the Lease Term, Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee's mean cost of

Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet at the time of return divided by Lessee's mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet. In the event work is undertaken by Lessee, with respect to each Engine Module (as defined below), Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine Module on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee's mean cost of each Engine Module Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet at the time of return divided by Lessee's mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet. In the event that Lessee has insufficient fleet shop visit data to determine the preceding, the per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be based on the Use Fee table and Engine Module table set out in Schedule 1 to the Lease Agreement.

In addition, Lessee shall compensate Lessor at the conclusion of the Lease Term for life used on life-limited parts during the Lease Term, as determined by the difference between the life-limited parts sheets for the Engine on the Delivery Date and the life-limited parts sheets for the Engine at the time of return. The amount of such compensation shall be calculated by reference to the applicable manufacturer's parts price catalogue and the manufacturer's published maximum life limits of the applicable life limited parts current at the time of redelivery."

6. A new Section 18.3(j) is added to the GTA and reads follows:

"ECM Return: Provided that no Event of Default has occurred and continuing, Lessor agrees to waive the requirement of a full Test Cell Run as required under Section 18.1(c) and Section 18.2(c), provided that two (2) weeks prior to Lessor's receipt of the ECM Return Notice (as defined below), Lessee shall provide to Lessor, for Lessor's review, preliminary ECM or EHM (as applicable) data and operating history (from the date of installation of the Engine until the then-current date). If no unusual and/or unacceptable conditions (as defined below) are noted within such preliminary data and history, then, immediately after the final flight, Lessee will provide to Lessor and the original equipment manufacturer ("OEM"), for each of their respective review, final ECM or EHM (as applicable) maintenance data and operating history (installation until the then-current date), in a format approved by the OEM for the purpose of issuing the Engine health summary, and authorization for Lessor and the OEM to access such ECM or EHM (as applicable) data. Lessor will invoice and Lessee agrees to pay the then current rate for an OEM generated ECM health report ("ECM Health Report"). (For reference only, the 2019 rate is US\$5,000.00.) If no unusual and/or unacceptable conditions are noted within such final data and history, then Lessor will provisionally waive a requirement for a Test Cell Run (as defined below) and accept in its place an ECM Health Report return ("ECM Return"). If, on the other hand, any unusual and/or unacceptable conditions are identified during review of either the preliminary or the final ECM or EHM (as applicable) data or operational history, in each case, that cannot be troubleshoot and/or corrected while on wing, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine by an FAA FAR Part 145 or EASA Part 145 approved repair station reasonably acceptable to Lessor at Lessee's sole expense. As used herein, "unusual and/or unacceptable conditions" means any discrepancies, defects and/or excursions from the base line that have not been corrected in accordance with the applicable

aircraft maintenance manual prior to review of the preliminary or final, as the case may be, ECM or EHM (as applicable) data. In addition to the ECM Return (or, if applicable, the Test Cell Run), (i) Lessee will perform or cause to be performed on the Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full (compressor, combustion and turbine sections) video borescope inspection ("Borescope Inspection") to be accomplished after the ECM Return (or, if applicable, the Test Cell Run); (ii) the Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document ("MPD") "C" Check, or engine Stagger Check (as applicable); and (iii) any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed.

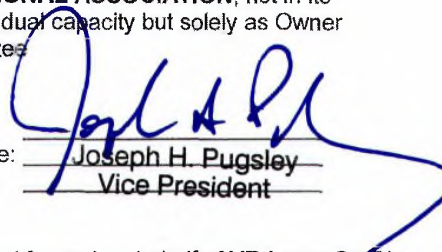
As identified and required above, throughout the Lease Term, Lessee will monitor and record Engine performance and, at redelivery, Lessee will provide complete and legible ECM or EHM (as applicable) data, to include both take off and cruise performance and mechanical parameters covering the complete installation term of such Engine since delivery. If Lessee fails to provide the required ECM or EHM (as applicable) data or the Engine's operating, maintenance and inspection history, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine at Lessee's sole expense. If review of the Engine's operating, maintenance or inspection history, or ECM or EHM (as applicable) data throughout the Lease Term, do not meet acceptable standards for the Engine, or the Borescope Inspection or Engine or QEC inspection identifies any unusual and/or unacceptable conditions with respect to the Engine, or the Engine condition is not consistent with the OEM's published unrestricted reinspection intervals, then Lessee will immediately notify Lessor of the findings.

If the ECM Health Report, aforementioned required data, operating or maintenance history, Borescope Inspection or Engine or QEC inspection or, if required, the Test Cell Run identifies an unusual and/or unacceptable condition for which Lessee is responsible under Section 6(a)(i) of the GTA, then Lessee will be responsible for repairing the Engine to return it to the acceptable standard for the Engine and the costs therefor. Lessee shall be liable for repairs and/or correction of any condition that results in a reinspection interval for which Lessee is responsible, as required by Section 6(a)(i) of the GTA. For the avoidance of doubt, the Engine shall continue to remain on lease until the aforementioned repairs and/or corrections have been completed to Lessor's satisfaction.

Lessee shall provide Lessor with a minimum of two (2) weeks' advance notice of Lessee's intention to perform the ECM Return (the "ECM Return Notice"), Borescope Inspection and, if required, the Test Cell Run, and a minimum of ten (10) days' advance notice prior to performing the Borescope Inspection and, if required, the Test Cell Run, so that Lessor shall have time to have a technical representative present during such Engine inspections and tests, as applicable. Lessee will also provide Lessor with a minimum of ten (10) days' advance notice of the location of such Engine inspections and tests, as applicable. In the event Lessee fails to provide the requisite advance notice to Lessor and Lessee performs any inspections or tests, as applicable, without Lessor's technical representative present to witness same, Lessee will be required to re-perform such inspections and/or tests, as applicable, with Lessor's technical representative present."

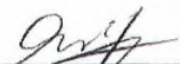
IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its
individual capacity but solely as Owner
Trustee

By: 
Name: Joseph H. Pugsley
Title: Vice President

Signed for and on behalf of **VB LeaseCo Pty
Limited (with Australian Business Number
29 134 268 741)** by its attorney under power of
attorney dated 25 February 2019

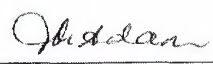
In the presence of:



Signature of witness

Emily Yeo

Full name of witness



Signature of attorney who declares that
the attorney has not received any notice
of the revocation of the power of attorney
T.M. McADAM
Attorney

Full name of attorney

Schedule 1
to Aircraft Engine Lease Agreement

ARTICLE V **Agreed Value of Equipment:** US\$10,000,000.

ARTICLE VI **Lease Payments:**

Rent:

US\$58,000 per month when Engine is operated as CFM56-7B24 or lower, and

US\$64,000 per month when Engine is operated as CFM56-7B26.

Pro Rata Rent:

If the Delivery Date is other than the first day of a calendar month, Lessee will pay to Lessor, in arrears on the first day of the next succeeding calendar month, a pro rata Rent payment equal to the monthly Rent divided by 30 multiplied by the actual number of days from the Delivery Date to the first day of the next succeeding calendar month.

During each Off-Wing Period, the above Rent payments will not be applicable and the Rent shall be

US\$333.33 per day.

“Off Wing Period” means each day during the period commencing on the Delivery Date and ending on the first anniversary of the Delivery Date when (a) the Engine is not installed onto any airframe and (b) no components or parts from the Engine are being replaced or removed; provided however that the aggregate number of such days shall not exceed 90 days.

Use Fees: Lessee will not be required to pay monthly Use Fees during the Lease Term. Use Fee compensation will instead be calculated and charged at the return of the Equipment in accordance with Section 18.1(b) of the Lease Agreement.

Virgin Australia, CFM56-7B Rates, Medium Severity, 10% Proven Derate					
Ratio	7B20 Hourly	7B22 Hourly	7B24 Hourly	7B26 Hourly	Cyclic
1.5	\$129.12	\$142.15	\$145.13	\$161.37	\$163.38
1.6	\$122.91	\$136.08	\$139.20	\$152.55	\$163.38
1.7	\$118.57	\$131.17	\$134.14	\$144.74	\$163.38
1.8	\$114.23	\$126.97	\$129.08	\$137.80	\$163.38
1.9	\$110.91	\$122.35	\$124.17	\$132.02	\$163.38
2.0	\$107.73	\$118.73	\$120.26	\$126.09	\$163.38
2.1	\$104.98	\$115.55	\$117.23	\$121.32	\$163.38
2.2	\$101.65	\$112.66	\$113.18	\$117.41	\$163.38
2.3	\$98.91	\$109.77	\$111.30	\$112.50	\$163.38
2.4	\$95.72	\$107.17	\$107.25	\$108.59	\$163.38

2.5	\$93.41	\$104.85	\$105.23	\$105.56	\$163.38
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*If the hour:cycle ratio decreases or increases, the flight hour charge will be increased or decreased proportionally. On 1 January 2019 and each January 1st thereafter, Use Fee will be adjusted based on actual operating environment, severity, proven derate level, and hour:cycle ratio, and will be escalated at fixed 3.5% (for flight hours) and OEM's LLP part price (for flight cycles) for such year.

The above rates will be applied to each Engine Module on the following percentages:

Major Module	Flight Hour Percentage
Fan & Booster	7%
HPC	35%
HPT & Combustor	40%
LPT	13%

"Engine Modules" means each of (a) Fan & Booster (ATA Chapters 72-21/22/23); (b) HPC (ATA Chapters 72-31/32/33); (c) HPT & Combustor (ATA Chapters 72-41/42/51/52/53) and (d) LPT (ATA Chapters 72-54/55/56).

NOTE: : In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, in each case payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

ARTICLE VII Payments Due on Delivery:

Security Deposit:	US\$100,000
Advance Rent:	US\$ 64,000
Transaction Fee:	US\$ 0
Advance Use Fee:	US\$ 0
Total Payment:	<u>US\$164,000</u>

ARTICLE IX Security Deposit:

Security Deposit: US\$100,000.

Lessee may replace the cash Security Deposit with a Security Letter of Credit.

ARTICLE XIV Subleases:

Sublessee: Any member of the Virgin Australia Group (being Virgin Australia Holdings Limited, Virgin Australia International Holdings Pty Ltd and each of their wholly owned subsidiaries), provided that such members have satisfactory completed Lessor's KYC process.

SECTION 19(a)(viii) of the GTA - Threshold Amount:

US\$25,000,000 (Twenty-Five Million US Dollars).

WILLIS LEASANCE AS SERVICER
CFM4-7B
ACCESSORY INVENTORY

QTY	DESCRIPTION	Part Number	Serial Number	TSN	TSZ	TESTER	REMARKS
1	OIL TANK	340-401-802-0	Y7012001E	49203158	49203158	2109258	ALT P/N 340-401-802-0
1	OIL TEMP SENSOR PROBE	340-401-201-0	Y0010221W	NR	NR	NR	ALT P/N 60030400
1	OIL FUEL HEAT EXCHANGER	48324870	20871	64918158	64918158	NR	ALT P/N 483248020
1	SERVO FUEL HEATER	4871-1132	8601211Y	46104158	46104158	NR	
0	FUEL FILTER	NR	NR	NR	NR	NR	NOT PROVIDED
1	FUEL FILTER - COX	81013A001	00011420	NR	NR	NR	ALT P/N 81013A001
1	TRANSFER BLEED VALVE	2010300	0101000	34100158	34100158	NR	ALT P/N 201030003
1	NOVOLUBSIN W/ACTUATOR LH	340-401-804	250400	Y0010221W	49203158	49203158	NR
1	NOVOLUBSIN W/ACTUATOR RH	340-401-804	RU14200	Y0010221W	49203158	NR	ALT P/N 340-401-804
1	NOVACTUATOR LH	1211012410	V7700	810158	810158	NR	ALT P/N 1211012410
1	NOVACTUATOR RH	1211012410	V7700	810158	810158	NR	ALT P/N 1211012410
1	NOVACTUATOR	340-401-804	W1240	49203158	49203158	NR	
1	FUEL NOZZLE 1	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 2	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 3	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 4	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 5	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 6	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 7	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 8	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 9	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 10	1317M0201	PO0300K	49203158	49203158	2109258	
1	FUEL NOZZLE 11	1317M0201	PO0300K	49203158	49203158	2109258	

NON ACCORDI NUNQUE
NUNQUE RECIBENDUM
NON PARTI INTRUDERE, ACT USURARE

WILLIS LEASE FINANCE AS SERVICER
 CRM667B
 ACCESSORY INVENTORY

CITY	DESCRIPTION	TYPICAL PART NUMBER	P/N REFERRED	SWAPPED	TSN	TSO	TESTER	REMARKS	888413	
									ESN	ESN
			REGISTRATION VERIFICATION BY:	DATE:	LOCATION:	DATE:	BY:	DATE:	BY:	DATE:
			RECORDS DEPARTMENT VERIFICATION BY:	DATE:	LOCATION:	DATE:	BY:	DATE:	BY:	DATE:
			RECORDS DEPARTMENT VERIFICATION BY:	DATE:	LOCATION:	DATE:	BY:	DATE:	BY:	DATE:
1	FUEL NOZZLE 12	317WV31H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 13	317WV32H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 14	317WV33H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 15	317WV34H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 16	317WV35H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 17	317WV36H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 18	317WV37H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 19	317WV38H	PO3061K	492433H	219425H	219425H	219425H			
1	FUEL NOZZLE 20	317WV39H	PO3061K	492433H	219425H	219425H	219425H			
1	HARNESSES 10	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 11	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 12	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 13	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 14	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 15	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 16	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 17	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 18	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 19	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 20	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 21	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 22	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 23	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 24	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 25	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 26	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 27	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 28	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 29	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 30	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 31	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 32	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 33	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 34	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 35	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 36	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 37	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 38	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 39	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 40	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 41	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 42	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 43	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 44	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 45	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 46	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 47	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 48	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 49	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 50	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 51	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 52	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 53	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 54	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 55	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 56	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 57	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 58	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 59	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 60	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 61	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 62	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 63	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 64	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 65	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 66	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 67	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 68	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 69	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 70	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 71	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 72	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 73	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 74	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 75	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 76	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 77	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 78	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 79	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 80	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 81	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 82	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 83	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 84	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 85	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 86	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 87	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 88	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 89	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 90	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 91	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 92	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 93	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 94	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 95	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 96	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 97	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 98	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 99	3250404040	48848377H	NR	NR	NR	NR			
1	HARNESSES 100	3250404040	48848377H	NR	NR	NR	NR			

NON-INCIDENT NUMBER
 NR NOT RECORDED
 NY PART INSTALLED, NOT USED

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B

		ESN: 888473		LOCATION: JES					
		QEC-INVENTORY		OPERATOR: SWA					
		EIT: 49,283,35		DATE: 6-Aug-19					
		ETC: 41,644		DATE: 07 August 2019					
		TECHNICAL DEPARTMENT		NOEL ROBERTS					
		RECORDS DEPARTMENT VERIFICATION		MICHAEL BRADSHAW					
		BY:		DATE:					
QTY	DESCRIPTION	PPBM REFERENCE	TYPICAL PART NUMBER	Part Number	Serial Number	TSN	TSO	TS/TSR	REMARKS
1	QEC KIT	71-00-02	QECNG737-200	N/A	N/A				
0	HYDRAULIC PUMP (VICKERS)	FIGURE 20, ITEM 15	10-62167-3	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 649589)
0	HYDRAULIC PUMP (ABEX)	FIGURE 20, ITEM 15	10-62167-3(-2)	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 649589)
0	IDG	FIGURE 22, ITEM 50	S281A001-101	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 761574)
1	IDG RELIEF VALVE	FIGURE 24, ITEM 10	2R3680	N/V	N/V	NR	NR	NR	
0	BLEED AIR REGULATOR	FIGURE 14, ITEM 250	107492-6	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 107492-5)
0	CHECK VALVE	FIGURE 16, ITEM 250	3202222-1	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 3202222-1)
1	FIRE DETECTOR LEFT CORE	FIGURE 28, ITEM 15	902862	902862	5165	33,506.58	NR	NR	MVI (ALT P/N S332T100-43); AD 98-21-112443
1	FIRE DETECTOR LOWER FAN	FIGURE 28, ITEM 10	902016-01	902016-01	3194	49,263.58	NR	NR	MVI (ALT P/N S332T100-30); AD 98-21-11
1	FIRE DETECTOR RIGHT CORE	FIGURE 28, ITEM 20	902016-01	902016-01	5577	23,962.58	23,962.58	23,962.58	MVI (ALT P/N S332T100-38); AD 98-21-11
1	FIRE DETECTOR UPPER FAN	FIGURE 28, ITEM 5	902864	902864	1251	60,419.58	NR	NR	MVI (ALT P/N S332T100-44); AD 98-21-11
1	FUEL INLET HOSE ASSY	FIGURE 12, ITEM 10	AE713733-1	S332A280-5	T0971	NR	NR	NR	ALT P/N S332A280-5 ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D04A007 REV R, ITEM 73-3
0	HIGH STAGE REGULATOR	FIGURE 14, ITEM 150	107484-7	N/A	N/A				MVI - NOT PROVIDED
0	HIGH STAGE VALVE	FIGURE 16, ITEM 150	3214446-4	N/A	N/A				MVI - NOT PROVIDED

NSN: NO SERIAL NUMBER
NR: NOT RECORDED
NV: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B

		QEC-INVENTORY				888473			
		ESN:	49,263,35	LOCATION:	JES				
		ETC:	41,644	OPERATOR:	SWA				
		TECHNICAL DEPARTMENT	Noel Rogers	DATE:	6-Aug-19				
		RECORDS DEPARTMENT VERIFICATION	Michael	DATE:	07 August 2019				
		BY:	Broadsaw	DATE:					
QTY	DESCRIPTION	PPBM REFERENCE 71-00-02	TYPICAL PART NUMBER	Part Number	Serial Number	TSN	TSO	TS/TSR	REMARKS
1	HYDRAULIC FILTER	FIGURE 21, ITEM 5	7579078	7579078	16090	NR	NR	NR	MVI (BOEING P/N 10-60555-7)
1	IDG AIR/OIL COOLER	FIGURE 23, ITEM 5	UA538551-3	UA538551-3	2013	49,263,58	NR	8,781.58	MVI (VENDOR P/N S332A2601)
1	MOUNT ASSY - AFT	FIGURE 3, ITEM 5	310A2030-17	310A2030-17	MRB3091	NR	NR	NR	AD 2011-18-10
1	MOUNT ASSY - AFT HANGER FITTING	FIGURE 3	310A2031-25	310A2031-25	B4163	NR	NR	NR	
1	MOUNT ASSY - FORWARD	FIGURE 2, ITEM 15	310A2020-11	310A2020-11	1620210	NR	NR	NR	
1	MOUNT ASSY - FWD HANGER FITTING ASS	FIGURE 2, ITEM 50	310A2021-4	310A2021-4	N/V	NR	NR	NR	
1	PLUG ASSY (EXHAUST PLUG)	FIGURE 32, ITEM 5	314A2620-1	N/V	N/V	NR	NR	NR	
0	PRECOOLER CONTROL VALVE (VALVE-FAN)	FIGURE 14, ITEM 75	3288562-5	N/A	N/A				MVI - NOT PROVIDED (BOEING P/N 10-62008-33)
0	PRESSURE SWITCH - CTAI	FIGURE 27, ITEM 60	21SNM1-52	N/A	N/A				MVI - NOT PROVIDED
1	PRIMARY NOZZLE ASSY (EXHAUST SLEEVE)	FIGURE 32, ITEM 100	314A2610-62	314A2610-62	826-462	NR	NR	NR	
0	PRSOV	FIGURE 18, ITEM 5	3214552-6	N/A	N/A				MVI - NOT PROVIDED (BOEING P/N 1062008-30)
0	START VALVE (SHUT OFF)	FIGURE 25, ITEM 175	3289530-2	N/A	N/A				MVI - NOT PROVIDED (BOEING P/N S332A002-2)
1	THRUST LINK LEFT	FIGURE 31, ITEM 5	310A2041-9	310A2041-9	14-3348	NR	NR	NR	
1	THRUST LINK RIGHT	FIGURE 31, ITEM 10	310A2041-10	310A2041-10	144206	NR	NR	NR	
0	VALVE ASSY (CTAI)	FIGURE 27, ITEM 225	3215618-4	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 3215618-3)
0	VALVE, GROUND WING TAI TEMP	FIGURE 14, ITEM 5	320548-2	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 320548-2)

NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B

		888473		888473					
ESN:		4928335	LOCATION:	JES					
ETC:		41644	OPERATOR:	SWA					
TECHNICAL DEPARTMENT		Neal Rogers	DATE:	6-Aug-19					
RECORDS DEPARTMENT VERIFICATION		Michael	DATE:	07 August 2019					
BY:		Bradshaw							
QTY	DESCRIPTION	PPBM REFERENCE 71-00-02	TYPICAL PART NUMBER	P/N VERIFIED	S/N VERIFIED	TSN	TSO	TS/TSR	REMARKS
1	HOSE - HYDRAULIC CASE DRAIN UPPER	FIGURE 21, ITEM 75	155006-06-23	155006-06-23	04253	NR	NR	NR	ALT P/N S332A210-23 ETOPS COMPLIANT - REF BEING ETOPS CMP DOCUMENT D044A007 REV R, ITEM 29-1A
1	HOSE ASSY - HYDRAULIC PRESSURE	FIGURE 21, ITEM 225	155012-12-21	N/V	N/V	NR	NR	NR	ALT P/N S332A210-21 ETOPS COMPLIANT - REF BEING ETOPS CMP DOCUMENT D044A007 REV R, ITEM 29-1A
0	HYDRAULIC PUMP ADAPTER (VICKERS)	FIGURE 20, ITEM 105	387999	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 849589)
0	HYDRAULIC PUMP QAD KIT (ABEX)	FIGURE 20, ITEM 105	60827	N/A	N/A				MVI - NOT PROVIDED (VENDOR P/N 849589)
0	IDG TUBE ASSY, RELIEF VALVE	FIGURE 24, ITEM 15	332A2240-4	N/A	N/A				N/A TO CONFIGURATION
1	12 O'CLOCK STRUT ASSY	FIGURE 13, ITEM 5	332A2371-3	332A2371-2	147-2 B230	NR	NR	NR	
1	12 O'CLOCK STRUT ROD ASSY	FIGURE 13, ITEM 70	315A2080-4	N/V	N/V	NR	NR	NR	
1	CHECK VALVE - HYD DRAIN	FIGURE 21, ITEM 15	BACY10CE12	BACY10CE12	IC3808	NR	NR	NR	
1	DUCT ASSY - 5TH	FIGURE 16, ITEM 105	332A2323-14	332A2323-10	M061570	NR	NR	NR	
1	DUCT ASSY - 9TH	FIGURE 16, ITEM 200	332A2321-10	332A2321-10	M061580	NR	NR	NR	
0	DUCT ASSY - CTAI	FIGURE 27, ITEM 100	332A2390-48	N/A	N/A				MVI - NOT PROVIDED
1	DUCT ASSY - FORWARD TAI	FIGURE 13, ITEM 10	332A2390-45	N/V	N/V	NR	NR	NR	
1	DUCT ASSY - INTERSECTION MANIFOLD	FIGURE 16, ITEM 300	332A2322-54	332A2322-54	M049750	NR	NR	NR	
1	DUCT ASSY (LOWER, START VALVE)	FIGURE 25, ITEM 100	332A2313-1	332A2313-1	M061570	NR	NR	NR	

NSN: NO SERIAL NUMBER
N/R: NOT RECORDED
N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B

		QEC INVENTORY		888473					
		ESN:	49,263,351	LOCATION:	JES				
		ETC:	41,1644	OPERATOR:	SWA				
		TECHNICAL DEPARTMENT	Noel Rogers	DATE:	6-Aug-19				
		RECORDS DEPARTMENT VERIFICATION BY:	Michael Bredshaw	DATE:	07 August 2019				
QTY	DESCRIPTION	PPBM REFERENCE 71-00-02	TYPICAL PART NUMBER	P/N VERIFIED	S/N VERIFIED	TSN	TSO	TS/TSR	REMARKS
1	DUCT ASSY - REAR TAI	FIGURE 27, ITEM 250	332A2330-12	332A2330-12	M063070	NR	NR	NR	
0	DUCT ASSY (PRSOV)	FIGURE 18, ITEM 100	332A2326-45	N/A	N/A				MVI - NOT PROVIDED
0	DUCT ASSY (UPPER, START VALVE)	FIGURE 25, ITEM 250	332A2310-4	N/A	N/A				MVI - NOT PROVIDED
1	HOSE - HYDRAULIC CASE DRAIN LOWER	FIGURE 21, ITEM 200	155006-06-16	155006-06-16	2697	NR	NR	NR	
1	HOSE ASSY - HYDRAULIC SUPPLY	FIGURE 21, ITEM 300	155016-20-11	N/V	N/V	NR	NR	NR	
1	IDG HARNESS W1062	FIGURE 26, ITEM 5	288A1062-002	N/V	N/V	NR	NR	NR	
1	IDG HOSE ASSY - INLET	FIGURE 24, ITEM 100	115096-4	115096-4	0887	NR	NR	NR	
1	IDG HOSE ASSY - OUTLET	FIGURE 24, ITEM 200	115096-2	115096-2	1924	NR	NR	NR	
1	IDG TUBE ASSY - AOC INLET	FIGURE 24, ITEM 150	332A2240-11	N/V	N/V	NR	NR	NR	
1	IDG TUBE ASSY - AOC OUTLET	FIGURE 24, ITEM 50	332A2240-1	N/V	N/V	NR	NR	NR	
1	IDG CAD ADAPTER	FIGURE 22, ITEM 75	762246	762246		NR	NR	NR	MVI (BOEING PIN S281A001-571)
1	NACELLE BRACKET - LH	FIGURE 4, ITEM 950	332A2330-61	332A2330-61		NR	NR	NR	
1	NACELLE BRACKET - RH	FIGURE 6, ITEM 225	332A2330-62	332A2330-62		NR	NR	NR	
1	OIL SCUPPER DRAIN HOSE	FIGURE 10, ITEM 100	B700-2	N/V		NR	NR	NR	

NSN: NO SERIAL NUMBER
NR: NOT RECORDED
NV: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B
MVP BAG / STAND INFORMATION

		ESN: 888473		LOCATION: JES				
		EIT: 49 263 35		OPERATOR: SWA				
		ETC: 41 644		DATE: 6-Aug-19				
TECHNICAL DEPARTMENT VERIFICATION		Noel Rogers						
RECORDS DEPARTMENT VERIFICATION		Michael Bradshaw		DATE: 07 August 2019				
		BY:						
QTY	DESCRIPTION	TYPICAL PART NUMBER	Part Number	Serial Number	TSN	TSO	TS/TSR	REMARKS
1	MVP BAG	856A3700G02	5305-7W/L2	NSN	NR	NR	NR	
1	STAND, BASE	AM-2563-200	D71TRO0005G03	MCC150728-1-3	NR	NR	NR	
1	STAND, CRADLE	AM-2B11-4800	D71CRA0005G02	MCC150728-1-3	NR	NR	NR	
2	TOW BARS	AM-1803-719	NPN	NSN	NR	NR	NR	
1	STEERING BAR	AM-2B11-2011	NPN	NSN	NR	NR	NR	
0	INLET COVER		N/A	N/A	NR	NR	NR	NOT PROVIDED
0	TRF COVER		N/A	N/A	NR	NR	NR	NOT PROVIDED
0	ENGINE STAND MANUAL		N/A	N/A	NR	NR	NR	NOT PROVIDED
1	SPANNER WRENCH	34-231	NPN	NSN	NR	NR	NR	

NSN: NO SERIAL NUMBER
NR: NOT RECORDED
N/A: PART INSTALLED, NOT VISIBLE

ESN: 888473

General Engine Info		Aircraft Information		Limiting Part Information	
Model and type of engine	CFM56-7B24	Model designation	N/A	Power Rating	7822
Current owner (name of engine)	7B24	Position	N/A	7B24	7824
EGT Margin of engine dog C	48.24	Current TSN of Aircraft	N/A	7B24	7826
EGT Margin valve date	20-Nov-19	Current TSN of Aircraft at last installation	N/A	7B24	7828
Current Location	IN STORAGE	TSN of Aircraft at last installation	N/A	7B24	7830
Current OSM of engine	48-263-019	Engine Status	In Storage	7B24	7832
Current OSM of engine	41-644	Engine Comments		7B24	7834
Last installation/Shop Input:	11-Jul-19	LA/866 (4 Inspections per SB 724679 Repetitive 4,700 cycles)		7B24	7836
SN of last installation/Shop Input:	41-644	Other Rating: 1C - Cat A		7B24	7838
OSN of last installation/Shop Input:	41-644	Other Rating: 3C - Cat B		7B24	7840
Non Limbs Parts Information				Limiting Inspection Information	
Name	Part Number	Serial Number	Part Number	Limit	Remarks
Shipping Stand Crank	D71CMA0000G02	MCC180728-1-3		N/A	N/A
Shipping Stand Bolt	71717N021800R	MCC180728-1-3		2018-09-51	42,847
				Engine Preservation	09-Jun-20
				Time since last SV	0
				8,781.58 Hours	6529 Cycles
				0.00 Hours	0 Cycles
				ALB Fuel Pump Pist	
				AGEES	
				FAA EASA	

Module Name	Name	Serial No	Part Number	Total Hours	Total Cycles	Cycles to 7822	Cycles to 7824	Cycles to 7826	Cycles to 7828	Cycles to 7830	Cycles to 7832	Cycles to 7834	Cycles to 7836	Cycles to 7838	Cycles to 7840
Fan Rotor	Fan Disk	DD5544837	340-000-090-0	30,789.58	20,415	7,689	9,642	3,084	0	0	0	0	0	0	0
Fan Rotor	Fan Booster Spool	PA801721	340-000-016-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
Fan Rotor	Fan Shaft	8150546-0	340-000-016-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
Fan Rotor	Fan Shaft	GM389010F	340-000-016-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPC Rotor	HPC S&B 3 Disk	24EED678	2110123R01	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPC Rotor	HPC S&B 4-8 Spool	204M20G04	204M20G04	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPC Rotor	HPC Fwd Shaft	1360498P03	1360498P03	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPC Rotor	HPC CDP Seal	GFT5310K	211025P01	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPC Rotor	HPC Front Ampal	GM33789	211025P02	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPT Rotor	HPT Front Shell	204M21P03	204M21P03	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
HPT Rotor	HPT Rear Shell	186M30P04	186M30P04	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT S&B 1 Disk	PC154973	334-002-004-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT S&B 2 Disk	PC154973	334-002-004-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT S&B 3 Disk	PC154973	334-002-004-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT S&B 4 Disk	PC22382	334-002-004-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT Rotor Support	DH78444	340-001-002-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT Shell	PC179110	340-074-72-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT Rotor Frame	L088504	340-066-006-0	8,781.58	6,025	1,895	4,130	0	0	0	0	0	0	0	0
LPT Rotor	LPT Case	5072571	334-117-054-0	37,233.8	25,544	1,895	4,130	0	0	0	0	0	0	0	0

LLP Parts

ESN: 888473

General Engine Info		Aircraft Information		Limiting Part Information	
Model and type of engine	CFM56-7B24	Aircraft registration:	N/A	Power Rating	7822
Current power rating of engine	4024	Part no:	N/A	LPT Rotor [LPT Rear Frame]	4,338
GT Margin of engine deg C	40.24	Current TSN of Aircraft:	N/A	LPT Rotor [LPT Rear Frame]	4,338
GT Margin of engine deg C	40.24	Current CSN of Aircraft:	N/A	LPT Rotor [LPT Rear Frame]	4,338
In MPD	724-165-2019	TSN of Aircraft at last installation:	N/A	Other Rating	7827/3611
Current TSN of engine:	49,263,558	CSN of Aircraft at last installation:	N/A	Fan Rotor [Fan Shaft]	12,348
Current CSN of engine:	41,644	Engine Status:	In Storage	Other Rating 2	12,348

Limiting Inspection Information	
Type	Description
Hour Limit	N/A
Cycle Limit	2018495-51
Date Limit	06 Jun 20
Time since last SV	8,781.58 Hours, 6926 Cycles
Last SV Workscope	GEES
Avionics Release	AGB Fuel Pump Pad
FAA & EASA	

Last Shop Visit Information	
Time since last SV	8,781.58 Hours, 6926 Cycles
Last SV Workscope	GEES
Avionics Release	AGB Fuel Pump Pad
FAA & EASA	

Serial No	Part Number	Name	Total Hours	Total Cycles	7827/3611		7827/3611		7827/3611		7827/3611	
					Cycles Used	Other Rating	Cycles Used	Other Rating	Cycles Used	Other Rating	Cycles Used	Other Rating
DD65-4337	340-020-490-0	Fan Disk	30,759.53	20,415	0	0	30,000	0	30,000	0	0	0
PA601721	340-020-416-0	Fan Brooder Spool	8,781.58	6,925	0	0	22,500	0	22,500	0	0	0
DB688355	335-020-414-0	Fan Shaft	21,922.58	17,652	0	4,947	30,000	6,680	30,000	30,000	12,348	12,348
GWNMWJF	15-58M1G07	HPC SR 1-2 Spool	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
XAEDU678	2116M23P01	HPC SR 3 Disk	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
GWNMWPCG	2048M25G04	HPC SR 4-9 Spool	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
NGU22841	1266M39P03	HPC Fed Shaft	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
GWNMWPCG	2116M23P01	HPC COP Shaft	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
GWNMWPCG	2116M23P02	HPT Front Area II	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
XAEEJ269	2048M25G04	HPT Front Shaft	8,781.58	6,925	0	0	20,000	0	20,000	0	0	0
TMTA9132	196AN92P04	HPT S/W 1 Disk	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
PC154978	336-001-504-0	LPT S/W 2 Disk	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
PA753350	336-001-509-0	LPT S/W 3 Disk	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
PC187016	336-002-006-0	LPT S/W 4 Disk	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
PC252022	336-002-105-0	LPT Rotor Support	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
DH760444	340-301-705-0	LPT Shaft	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
LPT18110	340-024-225-0	LPT Rear Frame	8,781.58	6,925	0	0	25,000	0	25,000	0	0	0
LPT18110	338-117-445-0	LPT Case	37,213.58	25,544	19,519	0	NUL	0	NUL	0	0	NUL

Authorising Signature _____ **Date** _____

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ESN: 888473

General Engine Info	
Model and type of engine	CFM56-7B24
Current power rating of engine	7B24
EGT Margin of engine deg C	4E04
EGT Margin value date	20-Nov-19
Current Location	In storage - BP Aero
Engine alt date	7-Aug-2019
Current TSN of engine	49 263 56
Current CSN of engine	41 644
Last installation / Shop input	11-Jul-19
TSN of last installation / shop input	49 263 56
CSN of last installation / shop input	41 644

Non Limited Parts Information	
Name	Part Number
Serial Number	Serial Number
Shipping Stand Cradle	DYTCR040005G02
Shipping Stand Rebar	DYTTRO030005R01
	MC2150728-1-3

Aircraft Information	
Aircraft registration	N/A
Position	N/A
Current TSN of Aircraft	N/A
TSN of Aircraft at last installation	N/A
CSN of Aircraft at last installation	N/A
Engine Status	In Storage

Engine Comments:	
Engine limited to LPT Rear Frame pin 340-166-206-0 sh	
Lacks 64 Inspections per 58 72-079 (repetitive 4,700 cycles)	
Other Rating: 3C - Cat A	
Other Rating: 3C - Cat B	

Limiting Part Information		
Power Rating	Limiting Part	Cycles Remaining
7B22	LPT Rotor [LPT Rear Frame]	4,388
7B24	LPT Rotor [LPT Rear Frame]	4,388
7B26	LPT Rotor [LPT Rear Frame]	4,388
7B27	LPT Rotor [LPT Rear Frame]	4,388
7B27/2B1	LPT Rotor [LPT Rear Frame]	4,388
Other Rating	Fan Rotor [Fan Shaft]	12,348
Other Rating 2	Fan Rotor [Fan Shaft]	12,348

Limiting Inspection Information		
Type	Description	Limit
Hour Limit	N/A	N/A
Cycle Limit	2019-09-31	42,817
Date Limit	Engine Preservation	06-Jul-20
Last Shop Visit Information		
Item checked	8,761 SR Hours	6025 Cycles
Time since last SV	0.00 Hours	0 Cycles
Last Repair Agency	GEES	
Last SV Worksheet	AGB Fuel Pump Pad	
Authorization Release	25-Jul-19	PAA & EASA

HPT Blades

Name	Part Number	Serial No	TSN or TSO	CSN or CSO
HPT Blades	2100M96P05	VARIOUS	87.81.58	6925

Authorising Signature _____

Date _____

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ESN: 888473

General Engine Info		Aircraft registration:		Limiting Part Information	
Model and type of engine	CFM56-7B24	Position:	N/A	Power Rating	7822
Current power rating of engine	7824	Other CSN of Aircraft:	N/A	Limiting Part	LPT Rotor [LPT Rear Frame]
EGT Margin of engine deg C	46.04	Current TSN of Aircraft:	N/A		LPT Rotor [LPT Rear Frame]
EGT Margin value cble	25.000000	Other CSN at last install:	N/A		LPT Rotor [LPT Rear Frame]
Current Location	In Storage	TSN of Aircraft at last installation:	N/A		LPT Rotor [LPT Rear Frame]
Current TSN of engine:	7A1992019	Engine Status:	In Storage	Other Rating	7827381
Current CSN of engine:	41.644	Engine Comments:		Time since last SV	12.248
Last installation/Shop Inpt:	11-Jul-19	Other Rating: 3C - Cat A		Time since last SV	12.248
TSN of last installation / Shop Inpt:	49.26338	Other Rating: 3C - Cat B		Limiting Agency	GEES
CSN of last installation / Shop Inpt:	41.644	Other Rating: 3C - Cat C		Agencies/Remarks	AGB Fuel Pump Bus FAA & EASA
Non Limited Parts Information		Last Shop Visit Information		Limiting Inspection Information	
Name	Part Number	Serial Number	Check Limit	Description	Limit
Shipping Stand Cradle	D71CRAD0005G02	MCC150728-1-3	2018-03-31	Engine Preservation	N/A
Shipping Stand Rack	D71PROTOR6R03	MCC150728-1-3	2018-03-31	Engine Preservation	03 Jul 20
					336

Module status

Name	Item#	Part Number	Serial No	TSN or TSO ESN or CSO
Fan Rotor	21	340-0315-308-0	2 1X80473	49263.58 41644
1.8.2 Ins Support Assy	22	340-0315-098-0	2 1X80473	49263.58 41644
1.8.2 Ins Support Assy	23	340-0315-098-0	2 1X80473	49263.58 41644
HPG Rotor	31	932A1665G02	3 1X86473	49263.58 41644
HPG Front Shim Assy	32	932A1665G02	3 2X86473	49263.58 41644
HPG Rear Shim Assy	33	932A1665G01	3 3X86473	49263.58 41644
Compressor Assy	41	932A1665G02	4 1X86473	49263.58 41644
Compressor Assy	42	932A1665G02	4 2X86473	49263.58 41644
HP T Rotor	50	932A1665G02	5 2X86473	49263.58 41644
HP T/LPT Nozzle Shroud F	53	932A1665G04	5 3X86473	49263.58 41644
LPT Rotor	54	338-097-303-0	5 4X86473	49263.58 41644
LPT Shaft Assy	55	340-0315-014-0	5 5X86473	49263.58 41644
LPT Rear Frame Assy	56	340-0315-014-0	5 6X86473	49263.58 41644
L3 Rear Frame Assy	61	932A1665G04	6 1X4987	49263.58 41644
Transfer Gearbox Assy	62	340-0567-09-0	6 2X9947	49263.58 41644
Accessory Gearbox Assy	63	340-0567-09-0	6 3X9945	49263.58 41644

Authorizing Signature _____ Date _____

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Execution Version

Virgin Australia Airlines Engine Sublease Agreement (ESN 888473)

VB LeaseCo Pty Limited
Sublessor

Virgin Australia Airlines Pty Limited
Sublessee

Clayton Utz
Level 15 1 Bligh Street
Sydney NSW 2000
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Sydney NSW 2001
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Our ref 741/80190524

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Virgin Australia Airlines Engine Sublease Agreement

Date 28 August 2019

Parties **VB LeaseCo Pty Limited ABN 29 134 268 741** of 56 Edmondstone Road, Bowen Hills QLD 4006 (**Sublessor**)

Virgin Australia Airlines Pty Limited ABN 36 090 670 965 of 56 Edmondstone Road, Bowen Hills QLD 4006 (**Sublessee**)

Background

The parties agree as set out in the Operating part of this agreement, in consideration of, among other things the mutual promises in this agreement.

Operative provisions

1. Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this agreement are set out below:

Aircraft Engine Lease Agreement means the lease agreement in connection with the Engine entered into pursuant to Exhibit A to the GTA which incorporates the terms and conditions of the GTA.

Approved Maintenance Program has the meaning given in the GTA.

Aviation Authority has the meaning given in the GTA.

Business Day means:

- (a) for the purposes of clause 12.4, a day on which banks are open for business in the city where the notice or other communication is received excluding a Saturday, Sunday or public holiday; and
- (b) for all other purposes, a day on which banks are open for business in Brisbane and Sydney excluding a Saturday, Sunday or public holiday.

Certificate of Acceptance means a certificate substantially in the form of Schedule 2.

Controller means in, relation to a corporation or the property of a corporation, a receiver, receiver and manager, trustee, inspector or similar officer is appointed in relation to the corporation or any of its assets.

Engine means the engine more particularly described in Schedule 1 as Engine 888473, and including:

- (a) any other equipment (including QEC) relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;

- (b) the Engine Stand relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;
- (c) any and all parts incorporated or installed in or on such Engine and all parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the terms of the GTA; and
- (d) all records relating to such Engine,

provided that if the context in which the term "Engine" appears does not permit the inclusion of the Engine Stand and/or the records as part of the Engine, then the Engine Stand and/or the records (as applicable) shall not be deemed to be part of the Engine in that particular context.

Engine Stand has the meaning given in the GTA.

Event of Default and **Default** have the meaning given in the GTA.

GTA means the "General Terms Engine Lease Agreement" entered into between the Lessor as "Lessor" and the Sublessor as "Lessee" dated on or about 24 May 2019, as further amended from time to time.

Government Entity has the meaning given in the GTA.

Head Lease means the Aircraft Engine Lease Agreement between the Lessor and the Sublessor in relation to the Engine.

Host Aircraft means the aircraft on which the Engine is installed.

Indemnitee means any person who is indemnified pursuant to the terms of the Head Lease and includes the Tax Indemnitee.

Insurance each insurance required to be effected under clause 14 of the GTA (as incorporated into this agreement by clause 5.4).

Lease Default means a Lease Event of Default or a Potential Lease Event of Default.

Lease Event of Default means any event specified in Schedule 4.

Lease Term has the meaning given in the Aircraft Engine Lease Agreement for the Engine.

Lease Termination Date means the last day of the Lease Term for the Engine.

Lessor means Wells Fargo Trust Company NA.

Material Adverse Effect means a material adverse effect on the Sublessee's ability to perform any of its obligations under any Sublease Document.

Officer in relation to a party to this agreement, a director or a secretary, or a person notified to be an authorised officer, of that party.

Owner Trustee has the meaning given in the GTA.

Permitted Lien has the meaning given in the GTA.

Potential Lease Event of Default means an event which with the giving of notice, lapse of time or fulfilment of any condition, would likely become a Lease Event of Default.

Power means any right, power, authority, discretion or remedy conferred on the Sublessor by the Sublease Documents or any applicable law.

PPSA means the Personal Property Securities Act 2009 (Cth).

Return Condition means the condition described in the return conditions applicable to the Engine as described in the Aircraft Engine Lease Agreement.

Redelivery Location means the place nominated by the Lessor pursuant to clause 18.3(f) of the GTA.

Relevant Currency means the currency in which a payment is required to be made under the Sublease Documents.

Rent means the rent and maintenance reserves payable under clause 3.

Same Day Funds means immediately available and freely transferable funds.

Scheduled Termination Date means the day before the Lease Termination Date.

Security Interest has the meaning given to the term "Lien" in the GTA and includes the definition given to the term "security interest" in the PPSA.

Sublease means the lease of the Engine under and on the terms of this agreement.

Sublease Delivery means the transfer of possession of the Engine to the Sublessee under this Sublease.

Sublease Delivery Date means the date on which Sublease Delivery shall occur, which shall be a Business Day.

Sublease Documents means this agreement.

Sublessor's Security Interest means any Security Interest given by Sublessor over or in respect of the Engine and any Security Interest arising on or relating to or affecting the Engine or any part thereof arising as a result of:

- (a) acts or claims against Sublessor not related to or which do not arise directly or indirectly as a result of the transactions contemplated by or permitted under this agreement and the other Sublease Documents; or
- (b) Taxes for which the Sublessor is responsible and for which Sublessor is not indemnified by Sublessee under the Sublease Documents.

Taxes has the meaning given in the GTA.

Tax Indemnitee has the meaning given in the GTA.

Term means the period commencing on the Sublease Delivery Date and ending on the Termination Date.

Termination Date means the Scheduled Terminated Date or if earlier, the date on which the Lease is terminated under this agreement.

Total Loss has the meaning given in the GTA.

Total Loss Date means the date on which a Total Loss with respect to the Engine shall be deemed to have occurred as described in the definition of "Total Loss" in the GTA.

Total Loss Proceeds has the meaning given in the GTA.

1.2 Interpretation

In this agreement, headings and bold type are for convenience only and do not affect the interpretation of this agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Entity;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to, this agreement and a reference to this agreement includes any attachment, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Entity with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including, but not limited to, a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (o) a covenant or agreement on the part of two or more persons binds them jointly and severally;

- (p) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
- (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (q) references to time are to Brisbane time.

1.3 Inclusive expressions

Specifying anything in this agreement after the words "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Exclusion of implied covenants and terms

- (a) Any terms, rights, powers or remedies which may be implied in this agreement by virtue of or under any law for the time being in force in any State or Territory of Australia or any other place where the Engine may be located at any time during the Term do not apply to, and are not implied in, this agreement except:
- (i) insofar as the same or some part or parts of those terms and Powers are included in the express terms of this agreement; and
 - (ii) insofar as those terms, rights, powers or remedies are not capable of being excluded under any such law.
- (b) The Sublessee hereby expressly agrees and acknowledges that:
- (i) in deciding to enter into this agreement the Sublessee has not relied in any way on the Sublessor's skill or judgment, and that there has not been made, any warranty or representation by or on behalf of the Sublessor, express or implied, with respect to the Engine or the Sublessor's rights to or in respect of the Engine and that the Sublessee has satisfied itself as to title to and the condition and suitability of the Engine and its fitness for the Sublessee's purposes;
 - (ii) the Sublessor has not made any representation, warranty or undertaking about the condition or availability of the Engine, its quality, fitness for purpose or safety;
 - (iii) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties, express or implied, whether arising by virtue of statute or otherwise, as to the condition, suitability, quality, fitness or safety of the Engine is hereby expressly waived, negated and excluded, and the Sublessor does not give any condition or warranty in relation to the Engine;
 - (iv) in the event that this agreement constitutes a supply of goods or services to a consumer as defined in Schedule 2 (Australian Consumer Law) (**ACL**) of the Competition and Consumer Act 2010 (Cth) (**Act**), nothing contained in this agreement excludes, restricts or modifies in relation to this agreement and the goods or services to be supplied hereunder which constitutes a supply of goods or services to a consumer, any condition, warranty, right or remedy which pursuant to the Act applies to this agreement or is conferred on the Sublessee, provided that to the

extent the Act permits the Sublessor to limit its liability for a breach of a condition or warranty implied by the Act, then the Sublessor's liability for such breach including any consequential loss which the Sublessee may sustain or incur shall be limited to:

- A. in the case of goods deemed under the Act to be supplied to a consumer hereunder any one or more of the following:
 - 1) replacement of such goods, or the supply of equivalent goods, or payment of the cost of replacing such goods or acquiring equivalent goods; or
 - 2) the repair of such goods or payment of the cost of having such goods repaired; and
- B. in the case of services deemed under the Act to be supplied to a consumer hereunder:
 - 1) the supplying of such services again; or
 - 2) the payment of the cost of having such services supplied again as the case may require;
- (v) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties which would or might otherwise be implied in this agreement are hereby waived, excluded and negated; and
- (vi) this clause 1.4(b) has been brought to Sublessee's attention.
- (c) The Sublessor may not be able to rely on this clause 1.4 if it is not fair and reasonable to do so under section 68A(2) and (3) of the ACL.

1.5 Subject and subordinate

Each of the Sublessor and the Sublessee agree that, if an Event of Default has occurred and is continuing, this Sublease and all rights of the Sublessee under this Sublease are at all times expressly subject and subordinate to the provisions of the relevant Head Lease and the rights, title and interests of the Owner Trustee and any relevant owner/mortgagee in and to the Engine.

1.6 GTA

The Sublessee acknowledges that it has received from the Sublessor extracts of the GTA and the Aircraft Engine Lease Agreement setting out the provisions of the GTA and the Aircraft Engine Lease Agreement (and all associated definitions) incorporated or referred to in this agreement, including by the operation of clause 5.4.

2. Leasing procedures

2.1 Conditions precedent

- (a) Subject to receipt by the Sublessor of the conditions precedent set out in Schedule 3 in form and substance satisfactory to it, the Sublessor agrees to lease the Engine to the Sublessee on the terms of the Sublease Documents.
- (b) The conditions in this clause 2.1 are for the benefit only of the Sublessor.

2.2 Lease

Subject to this agreement, the Sublessee has agreed to lease the Engine from the Sublessor under this agreement.

2.3 Commencement of leasing

The Sublease commences on the Sublease Delivery Date and, unless terminated earlier in accordance with this agreement continues until the last day of the Term.

2.4 Sublease Delivery

- (a) The Sublessee or its duly authorised representative must execute and deliver to the Sublessor a Certificate of Acceptance immediately upon Sublease Delivery.
- (b) As between the Sublessor and the Sublessee, the execution and delivery of the Certificate of Acceptance by the Sublessee or its duly authorised representative evidences and constitutes irrevocable, final and conclusive acceptance of the Engine by the Sublessee for all purposes of this agreement.

3. Rent

- (a) The Sublessee agrees to pay the Sublessor rent and maintenance reserves (if applicable) for the Engine at such times and in such amounts as are provided for in the Aircraft Engine Lease Agreement and any maintenance reserves (if applicable) shall be dealt with and applied in accordance with the Aircraft Engine Lease Agreement.
- (b) Rent must be paid by the Sublessee to an account of the Sublessor notified by the Sublessor to the Sublessee.

4. Payments

4.1 Payments

All payments by the Sublessee to the Sublessor under this agreement must be made:

- (a) in Same Day Funds;
- (b) in the Relevant Currency;
- (c) not later than 11.00 am (Brisbane time) on the due date; and
- (d) to the Sublessor's account as specified by notice to the Sublessee.

4.2 Amounts payable on demand

If any amount payable by the Sublessee under this agreement is not expressed to be payable on a specified date, that amount is payable by the Sublessee on demand by the Sublessor.

4.3 Payments in gross

All payments which the Sublessee is required to make under this agreement must be:

- (a) without any set-off, counterclaim or condition; and
- (b) without any deduction or withholding for any Taxes or any other reason, unless the Sublessee is required to make a deduction or withholding by applicable law.

4.4 Taxation deduction procedures

If the Sublessee is required to make a deduction or withholding of Taxes from any payment to be made to the Sublessor under this agreement, then:

- (a) the Sublessee must pay the amount deducted or withheld to the appropriate Government Entity as required by applicable law; and
- (b) the Sublessee must use its best endeavours to obtain official receipts or other documentation from that Government Entity and must deliver them to the Sublessor within 2 Business Days after receipt.

5. Representations, warranties and undertakings of the Sublessee

5.1 Representations and warranties

The Sublessee represents and warrants to and for the benefit of the Sublessor that:

- (a) **(registration)** it is a corporation registered (or taken to be registered) and validly existing in the jurisdiction of its incorporation;
- (b) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (c) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (d) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (e) **(binding obligations)** this agreement constitute its legal, valid and binding obligations and, subject to any necessary stamping and registration, are enforceable in accordance with their terms subject to laws generally affecting creditors' rights and to principles of equity;
- (f) **(transaction permitted)** the execution, delivery and performance by it of this agreement will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation binding on it or its assets;
 - (ii) its constitution; or
 - (iii) any Security Interest or agreement which is binding on it;
- (g) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (h) **(solvency)** it is not insolvent or unable to pay its debts as and when they become due and payable;
- (i) **(litigation)** no litigation, arbitration or administrative proceeding is taking place or, to the best of its knowledge, pending or threatened against it which could, if adversely determined, have a Material Adverse Effect;
- (j) **(no Lease Event of Default)** no Lease Event of Default is continuing and, to its knowledge, no material Potential Lease Event of Default is continuing; and

- (k) **(immunity)** in any proceedings taken in Queensland or Australia in relation to any of the Sublease Documents, will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

5.2 Survival and repetition of representations and warranties

The representations and warranties given under this agreement:

- (a) survive the execution of this agreement; and
- (b) other than the representations and warranties in clauses 5.1(e) and 5.1(k), are repeated on each date on which Rent is due and payable with respect to the facts and circumstances then existing.

5.3 Duration of undertakings

The Sublessee shall perform and comply with its undertakings and covenants in this agreement at all times during the Term. All such undertakings and covenants shall, except where expressly otherwise stated, be performed at the expense of the Sublessee.

5.4 Engine undertakings

The Sublessee must comply with, and where applicable, the Sublessee may do the things permitted by, and must not do the things prohibited by, the following provisions of the GTA:

- (a) clause 5 (Compliance with Laws);
- (b) clause 6 (Use and Maintenance);
- (c) clause 7 (Records);
- (d) clause 8 (Modification);
- (e) clause 13 (Inspection);
- (f) clause 11 (General Undertakings);
- (g) clause 14 (Insurance);
- (h) clause 15 (Title to Equipment);
- (i) clause 17 (Subleases; Assignment); and
- (j) clause 18 (Return of Equipment),

in each case as they apply to the Engine or a Host Aircraft, or as the case may be, or the parts included in the Engine as if those provisions and associated definitions in the GTA were set out in this Sublease in full but as if references in those provisions and associated definitions to:

- (i) 'Delivery' were references to Sublease Delivery;
- (ii) 'Indemnitee' included the Sublessor;
- (iii) 'Lease Term' were references to the Term;
- (iv) 'Lessee' were references to the Sublessee;
- (v) 'Lessor' were references to the Sublessor;

- (vi) 'redelivery or return' were references to redelivery of the Aircraft in accordance with clause 9;
- (vii) 'Event of Default' included a Lease Event of Default; and
- (viii) 'this GTA' and 'this Aircraft Engine Lease Agreement' were references to this Sublease,

provided that Sublessor and Sublessee may agree from time to time that Sublessor instead of Sublessee shall be responsible for any insurance, maintenance or repairs, in which event Sublessor shall be responsible for and shall carry out these matters.

5.5 Outgoings, maintenance costs

As between the Sublessor and the Sublessee:

- (a) costs, expenses, charges and other outgoings related to the use and operation of the Engine (including repairs, maintenance storage, transport, housing and servicing);
- (b) licence and registration fees and other amounts of any nature imposed by any Government Entity with respect to the Engine, including the ownership (but only to the extent relating to or arising as a result of the leasing, possession, operation, use or maintenance of the Engine), delivery, leasing, possession, use, operation or return of the Engine;
- (c) rent, fees, charges and other amounts in respect of any premises where the Engine is located from time to time; and
- (d) premiums and other costs and expenses in relation to the Insurances, to the extent relating to the Engine,

shall be paid by Sublessor and/or Sublessee, as the case may be, in accordance with the Aircraft Engine Lease Agreement.

5.6 Inspection

- (a) Sublessee shall at all times during the Term permit any persons (each an **Inspecting Party**) designated by Sublessor in writing upon reasonable prior notice to undertake an external visual inspection of the Engine (without any disassembly), its condition, use, and operation and also inspect and make copies of (where practicably possible) the relevant Approved Maintenance Programme, the AMM, the flight manual, the manuals and mechanical records relating to the Engine, and all other records maintained in connection with the Engine. Sublessee shall also permit any persons designated by Sublessor in writing and/or its authorised agents and representatives to visit and inspect the maintenance and operational facilities effecting the maintenance and operation of any Engine, at such times and as often as Sublessor may reasonably request. All such inspections in respect of the Engine shall (including if such inspection occurs during an during an engine shop visit for the Engine) take place at such times and in such manner as will comply with Sublessee's occupational health and safety and security requirements and provided that:
 - (i) if no Event of Default or Lease Default has occurred and is continuing at such time, Sublessor shall provide reasonable notice of such inspections, shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations and shall only be entitled to request one (1) such inspection in respect of the Engine per calendar year;

- (ii) if an Event of Default is continuing at such time, or if a Lease Default which is not a Lease Event of Default is continuing at such time, Sublessor shall provide reasonable notice of such inspections and shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations; or
 - (iii) if an Event of Default or a Lease Event of Default has occurred and is continuing at such time, Sublessor shall be entitled to inspect at any time on reasonable notice.
- (b) Each such inspection shall be at the sole risk of each Inspecting Party. Any such inspection shall be at no cost to Sublessee unless a Lease Default has occurred and is continuing (or such inspection is being carried out so as to establish that events which gave rise to the occurrence of a Lease Default previously have been remedied to the satisfaction of Sublessor), in which case Sublessee shall reimburse Sublessor for all costs and expenses reasonably incurred in conducting any such inspection in excess of one per calendar year. Neither Sublessor nor any person designated by Sublessor as provided above shall have any duty to make any such inspection and neither Sublessor nor any person designated by Sublessor as provided above shall incur any liability or obligation by reason of making or not making such inspection.

5.7 PPSA

- (a) The Sublessor and Sublessee each agree to do anything (including obtaining consents, signing and producing documents, procuring that documents are completed and signed and supplying information) within its reasonable control and which the Sublessor or the Lessor requests and reasonably considers necessary for the purposes of:
 - (i) ensuring that any Security Interest in relation to the Engine or this agreement is enforceable, perfected and otherwise effective; or
 - (ii) enabling the Lessor to apply for any registration, complete any financing statement or give any notification, in connection with any Security Interest; or
 - (iii) enabling the Lessor to exercise rights in connection with any Security Interest.
- (b) The Sublessor and Sublessee each agrees to cause any financing statements required of it pursuant to this clause 5.7 to be registered at such times as reasonably directed by the Lessor.
- (c) Neither the Lessor nor the Sublessor need give any notice under the PPSA (including a notice of verification statement) unless the notice is required by the PPSA and the requirement to give it cannot be excluded or has not been excluded by this clause 5.7.
- (d) The Sublessor and Sublessee are not required to, and must not without the other party's consent, disclose any information of the kind referred to in section 275(4) of the PPSA unless section 275(7) of the PPSA applies.
- (e) The Sublessee agrees with the Sublessor:
 - (i) that it will not change its name without first giving 14 days prior notice in writing to the Sublessor; and
 - (ii) that it will promptly do anything which the Sublessor or the Lessor may reasonably request to enable the Sublessor or the Lessor to perfect and

maintain perfection of any Security Interest intended to be created by this agreement including providing serial numbers and other details of the Engine required by the Sublessor to register a financing statement in respect of the Engine; and

- (iii) that it waives the right to receive a verification statement under section 148 of the PPSA in respect of any financing statement or any financing change statement registered by the Sublessor in respect of the Engine.
- (f) The terms financing statement, financing change statement, security interest and verification statement which are used in this clause shall have the respective meanings specified in the PPSA.
- (g) Neither the Sublessor nor the Sublessee may do anything which would otherwise be required to be done under this clause 5.7 if to do so would prejudice any security interest of the Lessor which relates to the Engine

6. Loss and Damage

- (a) If a Total Loss occurs prior to delivery of the Engine to the Sublessee, this agreement shall immediately terminate, and except as expressly stated in this agreement neither party will have any further obligation or liability under this agreement
- (b) If a Total Loss occurs after Sublease Delivery, the Sublessee shall on or prior to the earlier of:
 - (i) 30 days after the Total Loss Date; and
 - (ii) the date of receipt of insurance proceeds in respect of that Total Loss,
 pay to the Sublessor all Rent and all other moneys due and payable by the Sublessee under the Sublease Documents but unpaid.
- (c) If a Total Loss of the Engine occurs during the Term, Rent shall cease to be payable in respect of the period after the date on which the amounts described in clause 6(a) are paid in full and on payment of those amounts, this Sublease shall immediately terminate, but without prejudice to the vested or continuing obligations of the Sublessee (as to payment, indemnity or otherwise) under the Sublease Documents and the Sublessor and the Sublessee shall proceed diligently and co-operate fully with each other in the recovery of the Total Loss Proceeds. The parties acknowledge and agree that, as between Sublessor and Sublessee, Sublessor is entitled to, and may retain, all Total Loss Proceeds.

7. Default Termination

7.1 Sublessor's rights upon default

- (a) If a Lease Event of Default has occurred and is continuing the Sublessor at its option may demand that the Sublessee pay to the Sublessor on the date specified in the demand all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) If a Lease Event of Default has occurred and is continuing, the Sublessor shall be entitled (in addition to making any demand under clause 7.1(a)) to:
 - (i) proceed by appropriate court action or actions to enforce performance by the Sublessee of the applicable covenants and terms of this agreement or to recover damages for the breach thereof; or

- (ii) by notice in writing to the Sublessee, terminate this Sublease. Upon such notice to the Sublessee:
 - A. actual or contingent rights of the Sublessee to or in the use of the Engine terminate, but the Sublessee remains liable as provided in this clause 7;
 - B. the Sublessee must pay to the Sublessor and the Sublessor may recover from the Sublessee, any and all damages and expenses which the Sublessor sustains by reason of the occurrence of any such Lease Event of Default or termination, together with the amount of legal fees and such expenses as shall be expended or incurred by the Sublessor in the seizure, storage or rental of the Engine or in the enforcement of any right or privilege hereunder or in any consultation advice or action in connection therewith; and
 - C. the Sublessor may directly or by its agents or contractors take possession of the Engine and for such purpose may enter any premises on which the Engine is located.

7.2 Rights upon termination

If the Sublessor terminates this agreement pursuant to clause 7.1 the Sublessor is entitled to retain all Rent and other moneys previously paid by the Sublessee to the Sublessor under this agreement.

7.3 Exercise of powers

No person dealing with the Sublessor in connection with the exercise by the Sublessor of any Power:

- (a) is bound to enquire whether any Lease Event of Default or Potential Lease Event of Default has occurred or otherwise as to the propriety or regularity of the exercise of such Power; or
- (b) is affected by notice express or otherwise that any such exercise is unnecessary or improper,

and notwithstanding any irregularity or impropriety therein such exercise is, as regards the protection of such person, deemed authorised and is valid and effectual accordingly.

7.4 Remedies cumulative

- (a) The Powers in this clause 7 in favour of the Sublessor are:
 - (i) not exclusive; and
 - (ii) are cumulative and are in addition to all other remedies in its favour existing at law, in equity or in bankruptcy.
- (b) The election at any time to enforce any such Power in no way bars the later enforcement from time to time of any such Power or any other remedies.

7.5 Repudiation of this agreement

It is expressly agreed that the non-occurrence of a Lease Event of Default is an essential and fundamental term of this agreement and the occurrence of such an event will amount to a repudiation by the Sublessee of this agreement. Should the Sublessor terminate this agreement following any such breach, non-observance or non-performance then, without

prejudice to any other right or remedy of the Sublessor contained or implied in this agreement, it is expressly agreed that the Sublessor is entitled to recover from the Sublessee damages for such breach and for the loss of its bargain in addition to the sums referred to in clause 7.1(a).

8. Other termination

8.1 Scheduled termination

- (a) Provided that this Sublease has not otherwise terminated, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the Scheduled Termination Date, pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) Upon payment of the relevant amounts referred to in clause 8.1(a), this Sublease terminates.

8.2 Payment on termination of Head Lease

- (a) In the event that the Head Lease is terminated prior to the Scheduled Termination Date, this Sublease terminates.
- (b) Provided that this Sublease has not otherwise terminated under clause 7.1 or clause 8.1, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the date of termination of this Sublease under clause 9(a), pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.

9. Redelivery

- (a) On the Termination Date (except where a Total Loss has occurred), Sublessee shall redeliver the Engine to Sublessor at the place, and in the condition, specified in the Aircraft Engine Lease Agreement or, if the Termination Date is the Lease Termination Date, at the relevant Redelivery Location in the Redelivery Condition applicable to the Engine.
- (b) Unless otherwise agreed between the Sublessor and the Sublessee:
 - (i) all costs and expenses of such compliance shall be borne by Sublessee; and
 - (ii) if any of the foregoing requirements of this clause 9 are not satisfied at the time of redelivery of the Engine, Sublessee must promptly remedy any deficiency.

10. General indemnity

10.1 General Indemnity

Sublessee agrees at all times, and whether or not the Engine, any part or any of the manuals and technical records are in the possession of Sublessee at such time, to assume full liability for and to indemnify and hold harmless Sublessor on a full indemnity basis, and on demand, from and against all expenses suffered or incurred by, imposed on or asserted against Sublessor relating to or arising directly or indirectly in any manner or for any cause or reason whatsoever out of:

- (a) the Engine, any part or any of the manuals and technical records; or

- (b) the capacity, age, airworthiness, durability, description, specific configuration, design, manufacture, workmanship, materials, construction, inspection, testing, delivery, acceptance, import (including the import of the Engine into Australia), export (including the export of the Engine from Australia at the end of the Term), ownership, registration, deregistration, possession, repossession, control, use or non-use, location, operation, transportation, presence, purchase, leasing, sub-leasing, chartering, insurance, maintenance, repair, refurbishment, condition, replacement, existence, preparation, installation, performance, fitness or satisfactoriness for any particular use or purpose, service, overhaul, modification, change, alteration, substitution, destruction, mechanical failure, loss, damage, removal, storage, re-lease, sale, other disposition, return, transfer, abandonment or re-delivery of or on (as applicable) the Engine, any part or any manuals and technical records; or
- (c) any loss, destruction or damage to any property, any death or injury to any person or any other loss of whatsoever nature suffered by any person to the extent caused by, relating to or arising out of (in each case whether directly or indirectly) any of the matters referred to in clause 10.1(a) or clause 10.1(b) above; or
- (d) the imposition of any Security Interest (other than a Sublessor's Security Interest) on the Engine, any part or any of the manuals and technical records or the incurrence of any liability to refund or pay over any amount as the result of any such Security Interest (other than a Sublessor's Security Interest); or
- (e) any latent or other defects or deficiencies in the Engine or any part, whether or not discoverable, known or unknown, apparent or concealed, exterior or interior; or
- (f) any design, article, component or material in the Engine or any part or the operation or use thereof constituting an infringement of any patent, trademark, copyright or other intellectual property right or any other right whatsoever; or
- (g) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Engine, or in securing the release of the Engine or in connection with and following a Total Loss of the Engine; or
- (h)
 - (i) any default in payment by Sublessee of any sum payable by Sublessee under this agreement or any other Sublease Document when due or any other default by Sublessee in the due and punctual performance of its obligations under this agreement or any other Sublease Document;
 - (ii) any action or work undertaken by, or at the behest of, Sublessor in establishing that such a default has occurred (but only if that action or work results in a default being substantiated); or
 - (iii) any exercise by Sublessor of its rights and remedies under the Sublease Documents or under applicable law, or any action taken by Sublessor to preserve such rights and remedies, following any such breach or default or any Rent or other amount payable by Sublessee under the Sublease Documents being paid or payable other than on its due date; or
- (i) the enforcement of this clause 10 and/or any other indemnity provided by Sublessee for the benefit of Sublessor pursuant to the Sublease Documents; or
- (j) after Sublease Delivery, all expenses suffered or incurred by, imposed on or asserted against Sublessor with respect to the Engine which arise out of or are attributable to any of the events or circumstances described in clause 10.1(a) to 10.1(i) above which occur prior to Sublease Delivery.

10.2 Exceptions to General Indemnity

The general indemnity provided for in clause 10.1 will not extend to any of the following expenses of Sublessor to the extent that such expenses are:

- (a) suffered or incurred as a consequence of the fraud, gross negligence, or wilful misconduct of Sublessor; or
- (b) attributable to the Sublessor's Security Interest; or
- (c) amounts payable by Sublessor to an Indemnitee under the GTA unless Sublessee has expressly agreed to be responsible for any or all such expenses elsewhere in this agreement or any other Sublease Document; or
- (d) caused by any breach by Sublessor of any express provisions of, or the default of Sublessor in its performance of any of its express obligations under, this agreement or any other Sublease Document unless such breach or default occurred as a result of a breach by Sublessee of any of its obligations under the Sublease Documents; or
- (e) caused by any representation or warranty made or deemed to be made by Sublessor under any of the Sublease Documents being materially incorrect at the date when made or deemed to be made; or
- (f) expenses which relate to the Engine which are attributable to any actions of Sublessor or any other events which, in either case, occur after the end of the Term, except to the extent those expenses are attributable to any acts, events or circumstances (not excluded by another paragraph of this clause 10.2 occurring prior to the end of the Term); or
- (g) expenses which Sublessor has expressly agreed to be responsible for under the terms of this agreement or any other Sublease Document; or
- (h) expenses attributable to any storage, re-lease, sale or other disposal of the Engine by Sublessor, unless such storage, re-lease, sale or disposal has resulted from, been caused by or occurs after the occurrence of an Event of Default or Sublessee has expressly agreed to be responsible for any or all such expenses; or
- (i) expenses which constitute ordinary and usual administrative or overhead expenses of Sublessor, except to the extent that the same arise as a result of or in connection with or following the occurrence of an Event of Default or are made expressly the responsibility of Sublessee under the provisions of this agreement or any other Sublease Document; or
- (j) covered by another indemnity provision contained in this agreement or any other Sublease Document and Sublessee has paid such expenses in full pursuant to such other provision; or
- (k) a consequence of, or are greater as a consequence of, the assignment, transfer, disposal or grant of a Security Interest by Sublessor in respect of its interest in the Engine or the Sublease Documents unless such assignment, transfer, disposal or grant of a Security Interest is expressly contemplated by this agreement or another Sublease Document or is in connection with an exercise of remedies following an Event of Default which is continuing; or
- (l) a loss in value of the Engine (except where the loss in value is attributable to a breach by the Sublessee of any Sublease Document and is a loss in respect of which the Sublessor is not entitled to an indemnity or liquidated damages payment under any other provision of a Sublease Document).

10.3 Continuation of Indemnities

The indemnities by Sublessee in favour of Sublessor contained in this clause 10 or any other provision of the Sublease Documents shall continue in full force and effect notwithstanding the termination or expiry of the leasing of the Engine to Sublessee or the termination or expiry of any Sublease Document.

10.4 Primary Obligation

Sublessee shall be obliged to make all payments due from it under this clause 10 and under any other indemnity provided by Sublessee pursuant to the Sublease Documents irrespective of whether Sublessor shall also be indemnified, guaranteed or insured with respect to any such matter by any other person, and Sublessor shall be entitled to proceed directly against Sublessee under this clause 10 or under any other indemnity provided by Sublessee pursuant to the Sublease Documents without first resorting to its rights under such other indemnity, guarantee or insurance.

10.5 Sublessee's Assistance

Sublessee shall provide Sublessor with such information which is in the possession or control of Sublessee, or is otherwise reasonably available to Sublessee, as Sublessor may reasonably request and Sublessee shall otherwise cooperate with Sublessor so as to enable Sublessor to defend any action, suit or proceeding brought against Sublessor in respect of any expense for which Sublessee is responsible under this clause 10, provided that nothing contained in this clause 10 shall be deemed to require Sublessor to contest any expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

11. General

11.1 Without prejudice acceptance of Rent

Acceptance of any payment of Rent by the Sublessor is without prejudice to the exercise by the Sublessor of the rights, powers and remedies conferred upon it under this agreement or any other Power of the Sublessor under this agreement and does not operate as an election by the Sublessor either to exercise or not to exercise any of such rights powers or privileges.

11.2 Non-payment by Sublessee

- (a) If the Sublessee omits or neglects to pay any money or to do or effect anything which the Sublessee has covenanted to pay, do or effect under this agreement and notice of that omission or neglect has been duly given to the Sublessee, then on each and every such occasion the Sublessor may, but is not obligated to, and without prejudice to any other Powers arising from such default, pay money or do or effect such thing by it as if it were the Sublessee.
- (b) For the purpose of an act pursuant to clause 11.2(a) the Sublessor, as if it were the Sublessee and at the expense of the Sublessee, may enter upon any premises where the Engine is located and there remain for the purpose of doing or effecting any such thing.
- (c) The Sublessee must on demand reimburse the Sublessor for any amount paid by it under clause 11.2(a).

11.3 No partnership

- (a) Nothing contained in this agreement creates the relationship of partnership or of principal and agent or of joint venturers between the Sublessor and the Sublessee.

- (b) It is further understood and agreed that neither the method of computation of Rent nor any other provision contained herein nor any acts of the Sublessor and the Sublessee, is to be deemed to create any relationship between them other than the relationship of lessor and lessee upon the terms and conditions only as provided in this agreement.

11.4 Possession and quiet enjoyment

Subject to:

- (a) the Sublessee paying the Rent and duly and punctually observing and performing its covenants, obligations and provisions under this agreement;
- (b) the rights of the Lessor under the Head Lease; and
- (c) the term of this agreement,

the Sublessee may peaceably possess and enjoy the Engine during the Term without any interruption or disturbance from the Sublessor or any other person or persons lawfully claiming by, from or under the Sublessor.

11.5 Title

Save for any right or interest provided for in this agreement or by operation of law, the Sublessee has no interest in the Engine other than as bailee.

11.6 Reinstatement of Rights

- (a) Under law relating to liquidation, administration, insolvency or the protection of creditors, a person may claim that a transaction (including a payment) in connection with the Rent is void or voidable. If a claim is made and upheld, conceded or compromised, then the Sublessor is immediately entitled as against the Sublessee to the rights in respect of the Rent to which it was entitled immediately before the transaction.
- (b) The Sublessee's obligations under this clause are continuing obligations, independent of the Sublessee's other obligations under this agreement and continue after this agreement end.

12. Miscellaneous

12.1 No derogation

Any rights or remedies given to a party in this agreement are additional to and not in derogation of any other rights or remedies of that party conferred or implied by law.

12.2 Binding effect

This agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.

12.3 Assignment

- (a) The Sublessee may not assign, transfer, grant an Security Interest over or otherwise deal with its rights or obligations or interests under this agreement except with the prior consent of the Sublessor.
- (b) The Sublessor may assign, transfer, grant an Security Interest over or otherwise deal with its rights under this agreement.

- (c) If the Sublessor transfers or assigns any of its rights or obligations under this agreement, the Sublessee is not required to pay any net increase in the amount of costs, Taxes, fees or charges which are a consequence of the transfer or assignment.

12.4 Notices

- (a) Any notice or other communication including any request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English addressed as shown below:
- A. if to the Sublessor:
- Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- B. if to the Sublessee:
- Address: 56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- or as specified to the sender by any party by notice;
- (ii) where the sender is a company, must be signed by an Officer or under the common seal of the sender;
- (iii) is regarded as being given by the sender and received by the addressee:
- A. if by delivery in person, when delivered to the addressee;
- B. if by post, on delivery to the addressee; or
- C. if by email communication, on the electronic communication entering a system outside the control of the sender, or the first of those systems where the electronic communication enters successively 2 or more systems,,
- but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day; and
- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 12.4(a)(iii) and informs the sender that it is not legible.

- (c) In this clause 12.4, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or any person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

12.5 Governing law and jurisdiction

- (a) This agreement is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Queensland.
- (c) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each party irrevocably waives any immunity in respect of its obligations under this agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

12.6 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of this agreement, or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of this agreement, which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Unless application is mandatory by law, no statute, proclamation, order, regulation, ordinance or moratorium, present or future, applies to this agreement so as to abrogate, extinguish, impair, diminish, fetter, delay or otherwise prejudicially affect any Powers given to or accruing to any party or the covenants or provisions of this agreement or affects, prejudices or abridges any of the rights, remedies and powers of any party, statutory or otherwise.

12.7 No amendment

Other than as contemplated by this agreement, this agreement may not be amended or varied except in writing signed by the parties.

12.8 Waivers

- (a) Waiver of any right arising from a breach of this agreement or of any Power arising upon default under this agreement, or upon the occurrence of a Lease Event of Default must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
- (i) a right arising from a breach of this agreement, or the occurrence of a Lease Event of Default; or
 - (ii) a Power created or arising upon default under this agreement, or upon the occurrence of a Lease Event of Default,
 - (iii) does not result in a waiver of that right or Power.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a Power arising from a breach of this agreement or on a default under this agreement, or on

the occurrence of a Lease Event of Default as constituting a waiver of that right or Power.

- (d) A party may not rely on any conduct of another party as a defence to exercise of a Power by that other party.
- (e) No waiver by one party of a breach of any covenant, obligation or provision in this agreement operates as a waiver of another breach of the same or any covenant, obligation or provision in this agreement.
- (f) This clause may not itself be waived except by writing.

12.9 Counterparts

This agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument, and either of the parties may execute this agreement by signing any such counterpart.

12.10 Non-revocation

Each of the undermentioned attorneys respectively declares that the attorney has not received notice of revocation of the power of attorney under which the attorney has executed this agreement.

Schedule 1 - Engine

Engine Type	Manufacturer	Engine Model	Serial Number
CFM56-7B	CFM International	CFM56-7B24	888473

Schedule 2 - Form of Certificate of Acceptance

We refer to the Engine Sublease Agreement (**Sublease**) dated *[insert date]* relating to the engine described below between **VB LeaseCo Pty Limited (Sublessor)** and **Virgin Australia Airlines Pty Limited (Sublessee)**.

This acceptance certificate is executed by the Sublessor and the Sublessee to confirm that on the date of this acceptance certificate at *[insert location]* each of the following described engines (each an **Engine**) was delivered by the Sublessor to the Sublessee and was accepted by the Sublessee subject to the provisions of the Sublease Documents.

Manufacturer:	Model	MSN

The Sublease Documents are hereby confirmed by the parties hereto:

The terms used in this acceptance certificate will have the same meaning as in the Sublease.

The Sublessee hereby confirms that:

1. the Engine has been examined by an authorised representative of the Sublessee and that such examination shows that the Engine was plainly and distinctly marked with the manufacturer's serial number set forth above;
2. the Engine was duly accepted by the Sublessee for leasing under the Sublease Documents;
3. the Engine became subject to and governed by the provisions of the Sublease Documents;
4. the Sublessee became obliged to pay to the Sublessor the Rent provided for in the Sublease Documents;
5. the Engine is insured in accordance with the Sublease Documents; and
6. no Total Loss has occurred in respect of the Engine.

This acceptance certificate is intended to be delivered by the Sublessee to the Sublessor in [].

IN WITNESS WHEREOF, the Sublessor and the Sublessee have hereunto set their hands the day and year first above written.

Schedule 3 - Conditions precedent

1. An original of each Sublease Document, duly executed by all parties to it.
2. Satisfactory registrations and searches of the Personal Property Securities Register.
3. A copy of a copy of a power of attorney granted by the Sublessee, authorising execution of the Sublease Documents by the Sublessee.

Schedule 4 - Lease Events of Default


It is a Lease Event of Default, whether or not it is within the control of the Sublessee, if:

1. **(failure to pay)**: the Sublessee fails to pay any amount when due and payable by it under the Sublease Documents, and the Sublessee does not remedy the failure within 3 Business Days (in the case of a scheduled payment) or 5 Business Days (in the case of a non-scheduled payment) after receipt by the Sublessee of a notice from the Sublessor specifying the failure;
2. **(other failure)**: the Sublessee fails to perform any other undertaking or obligation of it under any Sublease Document and the Sublessee does not remedy the failure within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
3. **(misrepresentation)**: any representation or warranty or statement of the Sublessee under a Sublease Document is incorrect or misleading when made or repeated and the circumstances giving rise to that representation, warranty or statement being incorrect or misleading are not remedied within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
4. **(cross default)**: any Indebtedness of the Sublessee in an amount in excess of \$25,000,000 (or its equivalent in another currency) is not paid when due (after taking into account any applicable grace period);
5. **(Security Interest)**: any Security Interest securing an amount exceeding \$25,000,000 (or its equivalent in another currency) is enforced against an asset of the Sublessee;
6. **(judgment)**: a judgment in an amount exceeding \$25,000,000 (or its equivalent in another currency) is obtained against the Sublessee and is not stayed, set aside or satisfied within 30 days;
7. **(execution)**: a distress, attachment, execution or other process of a Government Entity is issued against, levied or entered upon an asset of the Sublessee in an amount exceeding \$25,000,000 (or its equivalent in another currency) and is not set aside or satisfied within 30 days;
8. **(Controller)**: a Controller is appointed to the Sublessee or over an asset or assets of the Sublessee with an aggregate value exceeding \$25,000,000;
9. **(suspends payment)**: the Sublessee suspends payment of its debts generally;
10. **(insolvency)**: the Sublessee is, or under legislation is presumed or taken to be, insolvent (other than as a result of a failure to pay a debt or claim the subject of a good faith dispute in which event this Event of Default is only taken to have occurred if the dispute is not set aside or dismissed within 30 days of being commenced); or
11. **(arrangements)**: the Sublessee enters into or resolves to enter into composition, assignment or arrangement with any creditor of Sublessee, otherwise than for the purpose of a solvent amalgamation or reconstruction; or
12. **(ceasing business)**: the Sublessee ceases to carry on business; or
13. **(Insurances)**: the Sublessee does, or omits to do, anything which renders an Insurance ineffective.

Signed as an agreement.

Sublessor

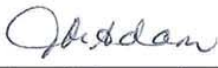
Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYSERICKY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Sublessee

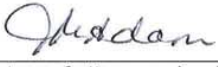
Signed for and on behalf of **Virgin Australia Airlines Pty Limited (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYSERICKY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Dated 28 August 2019

**VB LeaseCo Pty Ltd
as Assignor**

and

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity but solely as owner trustee
as Assignee**

**SUBLEASE SECURITY ASSIGNMENT
relating to One (1) CFM International Inc CFM56-7B Engine with
ESN 888473**

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**THIS DEED OF SECURITY ASSIGNMENT is made on 28 August 2019
BETWEEN:**

- (1) **VB LeaseCo Pty Ltd**, a company incorporated and existing under the applicable of Australia, whose registered office is at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia (the "**Assignor**"); and
- (2) **WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION**, not in its individual capacity but solely as owner trustee (the "**Assignee**").

WHEREAS:

- (A) By an aircraft engine lease agreement dated 28 August 2019 (the "**Lease Agreement**") and made between the Assignee as lessor and the Assignor as lessee, the Assignee agreed to lease to the Assignor and the Assignor agreed to lease from Assignee one (1) Engine for the period and upon the terms and conditions therein contained.
- (B) By a sub-lease agreement dated 28 August 2019 (the "**Sublease Agreement**") and made between the Assignor as sublessor and Virgin Australia Airlines Pty Limited (the "**Sublessee**") as sublessee, the Assignor agreed to sublease to the Sublessee and the Sublessee agreed to sublease the Engine for the period and upon the terms and conditions therein contained.
- (C) The Assignor has agreed to enter into this Assignment as security for its obligations under the Lease Agreement.

THIS ASSIGNMENT WITNESSES as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Assignment words and expressions defined in the Lease Agreement (whether defined therein or incorporated by reference to another agreement) shall bear the same meanings unless otherwise defined herein and the following words and expressions have the following meanings, in each case unless the context otherwise required:

"Assigned Property" means all of the Assignor's present and future right, title and interest in and to the Sublease Agreement, including without limitation, (i) all the Assignor's rights, title, interest, benefits and claims under or pursuant to the Sublease Agreement howsoever and whensoever the same may arise or be or become exercisable or capable of being made, (ii) all payments due under the Sublease Agreement and all other rights of the Assignor to receive monies thereunder or pursuant thereto, (iii) the right to perform under the Sublease Agreement and to compel performance and otherwise exercise all rights and remedies under the Sublease Agreement, (iv) all claims, rights and remedies of the Assignor arising out of or in connection with a breach of or default under or in connection with the Sublease Agreement including all damages and compensation payable for or in respect thereof, (v) all rights to give and receive notices, reports, requests and consents, to make demands, to exercise discretions, options and elections under the Sublease Agreement and to take all other action thereunder, pursuant thereto or in connection therewith and (vi) to the extent not included in the foregoing, all proceeds of any and all of the foregoing (but does not include the Excluded Property).

"Engine" means the CFM International Inc CFM56-7B model aircraft engine bearing manufacturer's serial number 888473 as more fully described in the Lease Agreement.

"Excluded Property" means each and every amount paid or payable to the Assignor under or pursuant to the Sublease Agreement by way of or in satisfaction of an indemnity payment or claim personal to or for the direct benefit of the Assignor and/or any of its directors, officers, servants, agents and/or employees and which is not stated or intended pursuant to the Lease Agreement to fund any amount paid or payable by the Assignor under the Lease Agreement and any claims, rights, benefits, remedies and/or compensation in respect thereof.

"Secured Obligations" means all monies, liabilities and obligations whatsoever which are now or at any time hereafter may be due owing or payable by Assignor to Assignee pursuant to the Lease Agreement.

- 1.2 Clause headings and the table of contents are inserted for convenience of reference only, have no legal effect and shall be ignored in the interpretation of this Assignment.
- 1.3 In this Assignment, unless a contrary indication appears:
- (a) references to clauses and the Schedules are to be construed as references to the clauses of, and the Schedules to, this Assignment and references to this Assignment include the Schedules;
 - (b) references to (or to any specified provision of) this Assignment or any other document shall include this Assignment, that document or the relevant provision as it may from time to time be amended but so that the above is without prejudice to any requirement in any relevant document that the prior consent of any party to such relevant document be obtained and references herein to the "Lease Agreement" shall (unless otherwise specified in this Assignment) be deemed to include any amendment, supplement and novation thereof as the parties thereto may agree from time to time;
 - (c) a reference to an **"amendment"** includes a supplement, novation, restatement or re-enactment and **"amended"** will be construed accordingly;
 - (d) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;
 - (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated association or body of persons and any Government Entity, whether or not having separate legal personality and references to any party shall be construed so as to include the successors, permitted assignees and permitted transferees of the relevant party;
 - (f) references to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation;
 - (g) an Event of Default is **"continuing"** if it has not been remedied or waived;
 - (h) a reference to an **"approval"** shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority; and
 - (i) a reference to **"including"** shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

2 Representations and Warranties

Assignor hereby represents and warrants to the Assignee that:

- (a) Assignor has the full power and authority and legal right to execute, deliver and perform the terms of this Assignment and such execution, delivery and performance is duly authorised by all necessary corporate action of the Assignor (and such authority has not be altered, revoked or rescinded) and this Assignment constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms;

- (b) Sublease constitutes valid and binding obligations of the Assignor and is in full force and effect and has not been varied or modified in any way or cancelled and neither the Assignor nor (so far as Assignor is actually aware) the relevant Sublessee are in default thereunder nor has any Casualty Event occurred with respect to the Engine; and
- (c) Assignor has not prior to the execution of this Assignment, assigned, pledged, charged or otherwise encumbered the Assigned Property to or in favour of any person other than the Assignee.

3 Security Assignment.

- 3.1 To secure the due and punctual observance, performance and discharge of Secured Obligations, Assignor hereby assigns and agrees to assign the Assigned Property to the Assignee provided that the Assignor shall keep the Assignee fully and effectually indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Assignee by reason of the failure of the Assignor to perform any of its obligations pursuant to the Sublease and provided further that any or all monies and rights comprising the Assigned Property shall be payable to the Assignor and performed in accordance with the provisions regulating payment and performance thereof in the Sublease until such time as an Event of Default shall occur and be continuing under the Lease Agreement and the Assignee shall direct to the contrary, whereupon the Assignor shall forthwith, and the Assignee may, at any time thereafter, instruct the persons from whom such monies are then payable to pay the same to the Assignee or as it may direct.
- 3.2 To the extent that any of the Assigned Property is not at any time assigned pursuant to this Clause 3.1, the Assignor with full title guarantee, hereby by way of first fixed charge, charges and agrees to charge to, and agrees to create in favour of, the Assignee a general encumbrance in and over the Assigned Property to the fullest extent permitted by applicable law.
- 3.3 Any amount received by the Assignee pursuant to this Assignment shall be applied in discharging any sums then due and owing which are secured by this Assignment.
- 3.4 This security is in addition to, and shall not be merged in, or in any way prejudice, any other security interest, document or right which the Assignee may now or at any time hereafter hold or have.
- 3.5 The powers which this Assignment confers on the Assignee are cumulative, without prejudice to its powers under the general law and may be exercised as often as the Assignee thinks appropriate.
- 3.6 Upon payment or discharge of all of the Secured Obligations to the satisfaction of the Assignee, the Assignee, at no cost to Assignee, agrees to reassign to the Assignor all right, title, benefit and interest in the Assigned Property, without recourse or warranty, and execute and deliver to the Assignor such instrument as shall be reasonably required by the Assignor to evidence the satisfaction, release and discharge of this Assignment and the encumbrances created hereby, to release and discharge the Assigned Property, freed and discharged from the provisions herein contained and release of the Assignor from its covenants herein contained; provided that this Assignment shall be reinstated if at any time payment and performance of the Secured Obligations, or any part thereof, are, pursuant to applicable law, rescinded or reduced in amount or must otherwise be restored or returned by Assignee, whether as a "voidable preference", "fraudulent preference", "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made.

4 Notice of Assignment.

- 4.1 Assignor shall on the Sublease Delivery Date (as defined in the Sublease) give written notice of assignment to the Sublessee in the form substantially set out in Schedule 1 (*Form of Notice of Assignment to Sublessee*) of this Assignment and shall procure that the Sublessee executes and delivers to the Assignee an acknowledgement of assignment in the form substantially set out in Schedule 2 (*Form of Acknowledgement of Assignment from the Sublessee*) of this Assignment.
- 4.2 From time to time after the execution of this Assignment, the Assignor shall deliver to the Assignee evidence, in form and substance satisfactory to the Assignee that this Assignment has been delivered to and filed with all relevant authorities in Australia of the charges created or the security interests constituted by the Assignor pursuant to this Assignment.

5 Covenants.

Assignor hereby covenants with the Assignee that:

- (a) it will do or permit to be done each and every act or thing, in each case at no cost to Assignee, which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights in relation to the Assigned Property and under this Assignment;
- (b) it will not transfer, assign, sell, dispose of or otherwise alienate, nor will it create or permit to exist any mortgage, charge, pledge lien or other security interest whatsoever, howsoever created or arising, over any of its rights, title, benefit or interest under the Assigned Property; and
- (c) following the occurrence of an Event of Default which is continuing under the Lease Agreement the Assignor will not without the prior written consent of the Assignee, not to be unreasonably withheld or delayed, amend or modify any provision of the Sublease which would in any way be prejudicial to the Assignee's rights or agree or purport to do so.

6 Assignor Acknowledgements.

It is agreed that notwithstanding the provisions of this Assignment:

- (a) Assignor shall at all times remain liable to perform all the duties and obligations of the Assignor in relation to the Assigned Property to the same extent as if this Assignment had not been executed;
- (b) the exercise by Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to each Sub-Lessee under the Sub-Lease except to the extent that such exercise by the Assignee shall constitute performance of such duties and obligations;
- (c) Assignee shall not have any obligation or liability under the Assigned Property by reason of, or arising out of, this Assignment or be obliged to perform any of the obligations or duties of the Assignor under the Assigned Property or to make any payment or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder;
- (d) for so long as no Event of Default shall have occurred and be continuing under the Lease Agreement, the Assignor shall continue to be entitled to exercise its rights and powers under the Sublease but at any time following the occurrence and during the continuance of an Event of Default under the Lease Agreement Assignee shall be entitled to notify the Sublessee that the Assignee's rights as assignee have become exercisable, and after the delivery of such notice, during the continuance of such Event of Default, all such rights and powers shall be exercisable only by the Assignee;

- (e) Assignee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment made under the Assigned Property or received by it hereunder or to make any claim or take any other action to collect any monies or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee shall be entitled;
- (f) Assignee shall not be responsible in any way whatsoever in the event that the exercise by the Assignor of any of its rights or powers under the Assigned Property may be adjudged improper or to constitute a breach or repudiation of the Assigned Property by the Assignor; and
- (g) in the event of any circumstances whereby further performance of the Sublease becomes impossible or unlawful or is otherwise frustrated, such impossibility, unlawfulness or frustration shall not affect the validity of any payments already received by the Assignee pursuant to this Assignment.

7 Power of Attorney.

As security for the performance of the Secured Obligations and for conferring on the Assignee the benefit of the rights expressed to be conferred under this Assignment, the Assignor irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney with full power (in the name of the Assignor or otherwise) to carry out any of the Assignor's obligations under this Assignment, to ask, require, demand, receive, compound and give acquittance for any and all monies and advises for monies due or to become due, under or arising out of, the Sublease or the Assigned Property, to enforce any provision thereof, to give valid receipts and discharges, to endorse any cheques or other instalments or orders in connection therewith, and generally to file any claims or take any action or institute any proceedings which may seem necessary or advisable to the Assignee, for the purpose of putting into effect the intent of this Assignment. The powers conferred on the Assignee by this Clause shall only be exercisable by the Assignee following the occurrence and during the continuance of an Event of Default in payment or discharge of the Secured Obligations, but no party dealing with the Assignee as such attorney shall be bound to enquire as to whether this condition has in fact been satisfied.

8 Application of Proceeds.

If any sum paid or recovered in respect of the liabilities of the Assignor under this Assignment is less than the amount then due, the Assignee may apply that sum in accordance with the provisions of the Lease Agreement.

9 Continuing Security.

The security hereby constituted shall be a continuing security and shall not be discharged by reason of any matter which would otherwise discharge the Assignor from its obligations hereunder including without limitation, any variation of or amendment to Lease Agreement, except as provided for in Clause 3.6 above.

10 Further Assurance.

Assignor agrees at any time and from time to time, upon the request of the Assignee, to execute and deliver promptly and duly to the Assignee any and all such further instruments and documents which the Assignee may reasonably require, or which are required by law, for obtaining the full benefits of this Assignment and the Assigned Property and of the rights and powers herein granted.

11 Compliance.

If Assignor fails to comply with any provision of this Assignment, the Assignee may, without being in any way obliged to do so, or responsible for so doing and without prejudice to its ability

to treat that non-compliance as a default by the Assignor in the payment or discharge of any of the Secured Obligations effect compliance on the Assignor's behalf, whereupon the Assignor will become liable to pay immediately on receipt of written demand therefor any sums reasonably expended by the Assignee together with all reasonable costs and expenses (including reasonable legal costs) in connection therewith, together with interest, at the Post-Default Rate (without deduction, both after and before judgment) from the date of the Assignee's expenditure until payment.

12 Delays; Waivers; Rights Cumulative

No failure to exercise, and no delay on the part of the Assignee in exercising, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude the further exercise thereof. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13 Notices.

- 13.1 Any notice or other communication to be given under or for the purposes of this Assignment shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post, reputable courier or facsimile (subject, in the case of facsimile transmission, to the sender having posted a copy of the facsimile transmission to the notice address of the recipient on the date of transmission (but without prejudice to Clause 13.3) to the relevant person at the following address or facsimile number (or such other address or facsimile number) as that person may have designated in writing from time to time to the person giving the notice):

Assignee: Address: 299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
Attention: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com

With a Copy to:

Assignor: Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld
4006, Australia
Attention: Steven Fouracre, Group Treasurer
Email: Steven.fouracre@virginaustralia.com
with a copy to: treasury.operations@virginaustralia.com

- 13.2 Any such notice or other communication shall be deemed to have been received by the recipient:
- (a) in the case of a letter which is hand delivered or delivered via courier, when actually delivered and, in the case of a letter which is sent by registered post, on the tenth day after posting (or on actual receipt if earlier); or
 - (b) in the case of transmission by facsimile, if transmitted during normal business hours in the place of receipt, at the time of transmission, and otherwise, when normal business hours next begin in the place of receipt.
- 13.3 Each person making a communication under this Assignment by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Assignment.

13.4 All communications and documents delivered pursuant to or otherwise relating to this Assignment shall either be in English or accompanied by a certified English translation prepared by a translator approved by the Assignee.

14 Partial Invalidity.

If at any time any one or more of the provisions of this Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15 Governing Law and Jurisdiction.

15.1 This Assignment is governed by English law without regard to any conflict of laws or rules which might result in the application of the law of another jurisdiction.

15.2 The Assignee and the Assignor irrevocably agree that the provisions set out in Section 26 of the GTA shall apply to this Assignment as if the same are set out herein *mutatis mutandis*.

15.3 Third Party Rights

(a) Unless expressly provided to the contrary in this Assignment and without prejudice to the interests of any assignee or any beneficiary of any assignment in the Assigned Property, no term of this Assignment is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Assignment.

(b) Notwithstanding any term of this Assignment, as between the Assignor and the Assignee, the consent of a third party is not required for any assignment, novation or other disposal of all or any of their respective rights or obligations, variation (including any release or compromise of any liability hereunder) or termination or discharge of this Assignment in accordance with the terms herein.

16 Miscellaneous.

16.1 Any settlement or discharge between the Assignee on the one hand and the Assignor and/or any other person on the other hand shall be conditional upon no payment to the Assignee by the Assignor or such other person forming part of the Secured Obligations being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.

16.2 This Assignment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which taken together shall constitute one and the same instrument.

16.3 This Assignment shall be binding upon and enure to the benefit of each of the parties hereto and its successors, permitted assigns and permitted transferees.

16.4 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Assignment.

THIS ASSIGNMENT HAS BEEN EXECUTED AS A DEED, AND IT HAS BEEN DELIVERED ON THE DATE STATED AT THE BEGINNING OF THIS ASSIGNMENT.

Schedule 1
Form of Notice of Assignment to Sublessee

From: Wells Fargo Trust Company, National Association
not in its individual capacity but solely as owner trustee (the "**Lessor**")
VB LeaseCo Pty Ltd the "**Lessee**")

To: _____ (the "**Sublessee**")

Date: _____

Dear Sirs,

One (1) [___] bearing manufacturer's serial number [___] (the "Engine")

We refer to:

- (a) the aircraft engine lease agreement dated _____ 2019 between [___] (the **Lessor**) and VB LeaseCo Pty Ltd (the "**Lessee**") relating to the Engine (the "**Lease Agreement**");
- (b) the sublease agreement dated _____ 2019 between the Lessee and the Sublessee relating to the Engine (the "**Sublease Agreement**"); and
- (c) the sublease security assignment dated _____ 2019 between the Lessor (as assignee) and the Lessee (as assignor), pursuant to which the Lessee assigned by way of security to the Lessor certain rights in relation to the Sublease Agreement (the "**Assignment**").

- 1 Unless otherwise defined herein, terms and expressions defined in the Lease Agreement shall have the same meanings when used in this Notice.
- 2 We hereby give you notice that, pursuant to the Assignment, the Lessee has assigned absolutely by way of security to the Lessor all of its right, title and interest (present, future, actual and contingent) in and to the Assigned Property (as defined in the Assignment) (which includes the Sublease Agreement).
- 3 After receipt by you from the Lessor of a notice to the effect that an Event of Default has occurred and is continuing under the Lease Agreement:
 - (a) the Lessor shall be entitled to enforce all or any of the Lessee's rights in respect of the Assigned Property (as defined in the Assignment) and you shall comply with the instructions of the Lessor in relation thereto to the exclusion of the Lessee; and
 - (b) all monies that may be payable by you under the Sublease Agreement forming part of the Assigned Property (as defined in the Assignment) shall be paid as the Lessor may direct.
- 4 Sublessee may be entitled to rely on such notice without the need to make further enquiries and shall have no liability to the Lessee for not making a payment or performing any obligation under the Sublease Agreement, so long as the Sublessee acts in accordance with the directions contained in such notice from the Lessor.
- 5 Each of the Lessee and the Lessor hereby acknowledges and confirms that, to the extent that payments are received by, or obligations are performed in favour of, the Lessor pursuant to this notice, such payment or performance shall operate to discharge pro tanto the obligations of the Sublessee under the Sublease Agreement.
- 6 Nothing herein or by virtue of the Assignment shall create or impose or be deemed as having created or imposed on you any increased or additional obligation or liabilities under the

Sublease Agreement or shall limit or waive or deemed as having limited or waived any of your rights or remedies under the Sublease Agreement.

- 7 This notice and the instructions contained in this Notice be amended or revoked without the written consent of the Lessor and the Lessee.
- 8 This notice and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.
- 9 Please acknowledge receipt of this notice and undertake to make payment and performance as aforesaid by signing the enclosed acknowledgement of assignment and returning one copy to each the Lessor and the Lessee.

Yours faithfully

[__]
as Lessor

VB LeaseCo Pty Ltd
as Lessee

By: _____

By: _____

Title: _____

Title: _____

Schedule 2
Form of Acknowledgement of Assignment from the Sublessee

Dear Sirs

One (1) [___] bearing manufacturer's serial number [___] (the "Engine")

1. We acknowledge receipt of a Notice of Assignment dated _____, _____ (the "**Assignment Notice**") relating to an assignment (the "**Assignment**") between VB LeaseCo Pty Ltd (the "**Assignor**") and Wells Fargo Trust Company, not in individual capacity but solely as owner trustee, as assignee.
2. We acknowledge that the Assignment is effective to confer on you all the rights, title and interest of the Assignor under and as defined in the Assignment.
3. Unless otherwise defined herein, terms and expressions defined in the Notice shall have the same meanings when used in this Acknowledgement.
4. This Acknowledgement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.

Yours faithfully

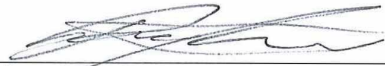
as Sub-Lessee

EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYBERRY

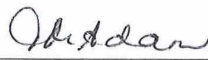
Full name of witness

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Engine Structured Trust III** by its authorised signatory in the presence of:

Signature of witness

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Signature of authorised signatory

Full name of authorised signatory

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:

Signature of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of witness

Full name of attorney

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Engine Structured Trust III** by its authorised signatory in the presence of:



Signature of witness



Signature of authorised signatory

Coryne Van Der Torren

Full name of witness

J. Brent Allen
Vice President

Full name of authorised signatory

Guarantee Confirmation

Wells Fargo Trust Company, National Association,
as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
MAC: U1228-051

Attn: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com
Telephone No.: +1 801-246-6000

With a copy to Beneficiary:
Willis Engine Structured Trust III
60 East Sir Francis Drake Blvd., Suite 209,
Larkspur, CA USA
Attn: General Counsel

28 August 2019

Dear Sirs

Guarantee confirmation

We refer to:


- 1. the Guarantee and Indemnity (**Guarantee and Indemnity**) between Virgin Australia Airlines Pty Limited (as **Guarantor**), Wells Fargo Trust Company, National Association as Owner Trustee (as **Lessor**) and VB LeaseCo Pty Ltd (as **Lessee**); and
- 2. the "General Terms Engine Lease Agreement" between the Lessor as "Lessor" and the Lessee as "Lessee" dated on or about 24 May 2019, as further amended from time to time (**GTA**); and
- 3. the Aircraft Engine Lease Agreement between the Lessor (as lessor) and the Lessee (as lessee) entered into pursuant to the GTA in respect of the following Engine CFM56-7B24, ESN 888473 (**Engine**) dated 28 August 2019 (the **Lease**).

This is a Guarantee Confirmation as contemplated by the Guarantee and Indemnity.

By executing this Guarantee Confirmation we confirm that the Lease is a "Lease" for all purposes of the Guarantee and Indemnity and that the Engine is an "Engine" for all purposes of the Guarantee and Indemnity, and that all of the obligations of the Guarantor under the Guarantee and Indemnity apply to the Engine and the Lease.

Executed as a deed.

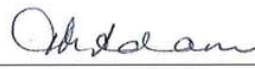
Signed, sealed and delivered for and on behalf of **Virgin Australia Airlines Pty Ltd (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYERBERG

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

EQUIPMENT DELIVERY RECEIPT


FROM: VB LEASECO PTY LTD

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee

The undersigned hereby acknowledges that on 28 August 2019, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III, delivered to VB LeaseCo Pty Ltd ("Lessee") that certain CFM International model number CFM56-7B24 aircraft engine, manufacturer's serial number 888473 (the "Engine"), and Engine Stand cradle P/N D71CRA00005G02, S/N MCC150728-1-3; base P/N D71TROP00005G03, S/N MCC150728-1-3 (the "Engine Stand"), QEC unit consisting of all the components set forth in Appendix A to the Lease, and all Engine records in Lessor's possession requested by Lessee, including a copy of the life-limited parts profile attached as Appendix B to the Lease, at the facility of BP Aero, Irving, Texas, U.S.A. The undersigned further acknowledges receipt and acceptance of the Engine, Engine Stand, QEC unit and all such records and compliance thereof with all the terms and conditions of that certain Aircraft Engine Lease Agreement dated as of 28 August 2019 between Lessee and Lessor.

Dated 28 August, 2019.

VB LEASECO PTY LTD

By: 
Name: T.M. McADAM
Title: Attorney

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UCC, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

AIRCRAFT ENGINE LEASE AGREEMENT

This Aircraft Engine Lease Agreement ("Lease") is made and entered into as of 13 September 2019 by and between WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III ("Beneficiary") and VB LEASECO PTY LTD, an Australian corporation ("Lessee").

WITNESSETH:

ARTICLE I Agreement to Lease:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease is entered into pursuant to, and by this reference incorporates all the terms and conditions of, the General Terms Engine Lease Agreement dated as of May 24, 2019 (the "GTA") between Lessor and Lessee. Capitalized terms used but not defined herein shall have the respective meanings given such terms in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall control.

ARTICLE II Lease Term:

The term of this Lease will commence on 13 September 2019 (the "Delivery Date") and will be a period of seventy-three (73) months ending on 12 October 2025 (the "Lease Term").

ARTICLE III Delivery/Redelivery Locations:

The Equipment will be delivered to Lessee EXW the facility of KLM, Amsterdam, The Netherlands, and upon termination of the Lease, the Equipment will be redelivered to Lessor DDP the facility of Willis Asset Management Limited, Bridgend, Wales, or a location in the State of Florida, U.S.A. as determined by Lessor. To coordinate return of the Engine and its Engine records, Lessee should contact the Contract Administration Department of Willis Lease Finance Corporation, as Servicer at +1 415-408-4700.

ARTICLE IV Equipment:

Engine Make	Engine Model	Engine Serial No.	As of August 29, 2019		Engine Stand Serial No.
			Total Time Since New	Total Cycles Since New	
CFM International	CFM56-7B26/3*	894902	14,395.37	5,096	Cradle: P/N AM-2811-4800, S/N 769 Base: P/N AM2563-200, S/N 1216

Equipment includes, together with the Engine and Engine Stand listed above, (i) a QEC kit P/N QECNG737-200 consisting of all the components set forth in Appendix A hereto (excluding Major Vendor Items and parts as so identified in Appendix A hereto), (ii) all Engine parts and attachments, and (iii) all Engine records, including a copy of the life-limited parts profile attached as Appendix B hereto, in the possession of Lessor requested by Lessee and all Engine records generated by Lessee during the Lease Term. Failure by Lessee to return any item of Equipment to Lessor, or failure to return any item of Equipment in accordance with the requirements of the Lease, upon termination of the Lease shall result in Lessor purchasing such item(s) on behalf of Lessee at up to full list price and invoicing Lessee for such cost plus a handling fee equal to 15% of such cost, which fee is capped at \$5,000.00 per item. Lessee shall pay such invoice within 30 days of receipt.

The Engine described above is rated in excess of 550 horsepower. The Engine described above has 26,300 pounds of thrust and is only to be operated by Lessee or Sublessee at such thrust unless this Lease expressly permits Lessee or Sublessee to operate the Engine at different thrust(s) or Lessee has received Lessor's prior written consent to operate the Engine at a different thrust.

*The Engine is currently configured as a CFM56-7B26/3 and has 26,300 pounds of thrust. The Lessor hereby consents to the Engine being operated at any thrust within the manufacturer's approved limits which, for the avoidance of doubt, may be at a thrust higher than the thrust at Delivery provided that the cost of completing the Engine thrust conversion shall be borne by the Lessee. For the avoidance of doubt, the Lessor confirms that no additional fees, unless expressly provided for under this Lease, will be charged by the Lessor for changes in thrust configuration. Lessee will report the thrust at which the Engine is operating in its monthly utilization reports to Lessor.

ARTICLE V Agreed Value of Equipment: (See Schedule 1)

ARTICLE VI Lease Payments: (See Schedule 1)

ARTICLE VII Payments Due on Delivery: (See Schedule 1)

ARTICLE VIII Maintenance Costs:

Lessee to be responsible for equipment maintenance and repair costs in accordance with the GTA and this Lease.

ARTICLE IX Security Deposit: (See Schedule 1)

As a condition to delivery of the Equipment, Lessee shall pay to Lessor on the Delivery Date and shall maintain at all times during the Lease Term, as security for this Lease, an security deposit (the "Security Deposit") in the amount set forth in Schedule 1. Lessee shall not be entitled to any interest on the Security Deposit. Provided no Event of Default shall have occurred and be continuing, Lessor shall return the Security Deposit to Lessee upon the return of the Equipment to Lessor in the condition required by, and otherwise in accordance with all the return provisions of this Lease. Lessor shall not be required to apply the Security Deposit to cure any Event of Default under this Lease. Lessor must return the balance of any Security Deposit after deduction of costs, expenses, and damages due and payable by Lessee in accordance with the Lease Agreement.

ARTICLE X Beneficiary:

Beneficiary shall mean Willis Engine Structured Trust III. Beneficiary's Notice address is:

60 East Sir Francis Drake Blvd., Suite 209
Larkspur CA 94939 USA
Attn: General Counsel
Telephone No.: +1 (415) 408-4700
Fax No.: +1 (415) 408-4701

ARTICLE XI Lessor's Lender:

Lessor's Lender shall mean Deutsche Bank Trust Company Americas, as Security Trustee under the Security Trust Agreement dated as of August 4, 2017 between, inter alios, Lessor's Lender and Beneficiary, or if the Lessor so notifies Lessee in writing, shall mean any other party designated in writing by Lessor. Lessor's Lender's address is:

Deutsche Bank Trust Company Americas,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Lessor hereby notifies Lessee, and Lessee hereby acknowledges for the benefit of Lessor's Lender, that Lessor has granted a first priority security interest in the Lease and the Equipment to Lessor's Lender.

ARTICLE XII Payment Account:

Bank Name: Deutsche Bank Trust Co. Americas
ABA No.: 021001033
Acct No.: 00374723
Swift No.: BKTRUS33
Account Name: DBTCA as Trustee for WEST III Lessor Acct
Ref: MSN 897193 rental
Attn: Michele Voon T: 201-593-8420

or such other account as designated by Lessor in writing.

ARTICLE XIII Return of Equipment:

Lessee to be responsible for Equipment return in accordance with Section 18 of the GTA and this Lease.

ARTICLE XIV Subleases:

(a) Notwithstanding anything to the contrary in Section 17 of the GTA and so long as no Event of Default has occurred and is continuing, Lessee may sublease to the party listed on Schedule 1 ("Sublessee") and to such other sublessees as have been approved by Lessor in writing ("Permitted Sublessees") provided that (i) Lessee remains fully responsible to Lessor under the terms of the GTA, this Lease, (ii) the sublease is made expressly subordinate to the terms of the GTA and this Lease and the term of the Permitted Sublease shall not extend beyond the terms of the Lease, (iii) at the sole option of Lessor or Lessor's Lender, Lessee registers such sublease as an international interest with the International Registry created by the Cape Town Convention and causes the sublessee to register as a user of the International Registry system in order to effect registration of the sublease, and Lessee consents to any assignment of the sublease and assists in registering such assignment with the International Registry, (iv) Lessee will procure that any and all sub-lessees comply with all the covenants, undertakings and representations of Lessee to Lessor and (v) Lessor has received (a) a copy of Sublessee's approved maintenance program which shall be equivalent to FAA FAR 121 and EU-OPS with respect to the maintenance schedule for the applicable Engine, (b) an executed copy of the Permitted Sublease between Lessee and Sublessee, (c) an executed sublease assignment and related sublessee consent in form and substance reasonably satisfactory to Lessor in respect of the Permitted Sublease; (d) an executed sublessee subordination acknowledgement in form and substance reasonably satisfactory to Lessor from the Permitted Sublessee and Lessee; and (e) an executed power of attorney from Sublessee in form and substance satisfactory to Lessor and Lessor's Lender.

(b) Performance by Sublessee of the covenants set forth herein, whether expressed as obligations of Lessee or Sublessee, shall be deemed to satisfy the obligations of Lessee hereunder to the extent of the performance.

ARTICLE XV Additional Insureds and Loss Payee/Contract Party:

Casualty Insurance:

Sole Loss Payee:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns,
as Security Trustee
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Liability Insurance:

Additional Insureds:

Deutsche Bank Trust Company Americas, its Successors and/or Assigns, as Security
Trustee, as trustee of the notes, and as operating bank
Trust and Agency Services
60 Wall Street, 16th Floor
MS NYC 60-1625
New York, New York 10005 U.S.A.
Attention: Asset Backed Securities, WES17A
Fax: +1 (212) 553-2458

with a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901 U.S.A.
Attention: Asset Backed Securities, WES17A – Michele H.Y. Voon
Fax: +1 (212) 553-2458
Email: michele.hy.voon@db.com

Wells Fargo Trust Company, National Association
in its individual capacity and as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 U.S.A.
Attn: Corporate Trust Lease Group
Fax: +1 801.246.7142
Email: CTSLeaseCompliance@wellsfargo.com

Willis Lease Finance Corporation
as servicer, as administrative agent, as trust certificate holder and as prior owner participant
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

Willis Engine Structured Trust III
As owner participant and as issuer
60 East Sir Francis Drake Boulevard, Suite 209
Larkspur, California 94939 U.S.A.
Attn: General Counsel
Fax: +1 (415) 408-4701
Email: insurance@willislease.com

BNP Paribas,
as liquidity facility provider
787 Seventh Avenue
New York, New York 10019 U.S.A.
Attention: Aviation Finance Group
Fax: (212) 841-2748
Email: dl.afgny.mo@us.bnpparibas.com

Wilmington Trust Company,
in its individual capacity and as Owner Trustee of the Issuer
1100 North Market Street
Wilmington, Delaware 19890-0001

ARTICLE XVI Trustee Capacity

It is understood and agreed that the Lessor is entering into this Lease solely in its capacity as owner trustee under a trust agreement and that Lessor shall not be liable or accountable in its individual capacity in any circumstances whatsoever except for its own gross negligence or willful misconduct and as otherwise expressly provided in such trust agreement, all such individual liability being hereby waived, but otherwise shall be liable or accountable solely to the extent of the assets of the trust estate (as defined in such trust agreement).

ARTICLE XVII Joinder:

Lessor and Lessee acknowledge that Lessor is an "Additional Owner Trustee", as contemplated by Section 29 of the GTA. Lessor hereby is made a party to the GTA and shall be deemed a "Lessor" for all purposes thereof as incorporated herein, and Lessor hereby agrees to be bound by the terms of the GTA as incorporated herein.

ARTICLE XVIII Additional Representation: As of the date of execution of this Lease, the Lessee was situated in a contracting state as defined in the Cape Town Convention.

ARTICLE XIX Survival: The representation, warranties, indemnities and any other agreement or obligations intended to survive the Lease Term shall survive the expiration, termination or cancellation of this Lease.

ARTICLE XX The GTA is amended as follows for this Lease only:

1. A new Section 4(h) is added to the GTA and reads follows:

"Letter of Credit

(a) The Lessee may at any time during the Lease Term, so long as no Event of Default has occurred and is continuing, deliver a Security Letter of Credit to the Lessor to replace the cash Security Deposit received by Lessor.

(b) Each Security Letter of Credit shall:

- (i) be denominated and payable in in an amount equal to the Security Deposit;
- (ii) be a first demand, irrevocable and absolute payment undertaking of the issuing bank payable on written demand without proof or evidence of entitlement or loss required;
- (iii) be addressed to the Lessor or its permitted nominee and provide for partial and multiple drawings (without terminating the remaining balance) and freely assignable and transferable to any assignee or transferee of the Lessor without any fees or costs charged to the Lessor or such assignee or transferee;
- (iv) be issued or confirmed and payable by an international bank, having a long-term unsecured rating of at least "A1" from Moody's or "A+" from Standard & Poor's (or the equivalent from Fitch Ratings) and otherwise reasonably acceptable to the Lessor;
- (v) be presentable for payment at sight at an office of the issuing or confirming bank at in San Francisco or a location otherwise agreed between the Lessor and the Lessee; and

- (vi) have a non-cancellable term of at least twelve (12) months or, if shorter, the remainder of the Term and (in the case of the Security Letter of Credit for the final year of the Term) be valid for at least one month after the Expiration Date.
- (c) The Lessor may make a demand under the Security Letter of Credit if:
 - (i) the Security Letter of Credit is due to expire during the Lease Term and is not renewed or reissued or replaced by paying an amount equal to the Security Deposit to Lessor; or
 - (ii) an Event of Default has occurred and is continuing.
- (d) The amount drawn by the Lessor under the Security Letter of Credit will be applied by the Lessor in full or partial satisfaction of the Lessee obligation under the Lease.
- (e) If the Lessor draws any funds under the Security Letter of Credit then:
 - (i) such drawing shall not be deemed a cure by the Lessee, or waiver by the Lessor or any other person, of any Event of Default unless and until the Lessee complies with its obligations in Section 4(h)(e)(iii);
 - (ii) any interest earned on the amounts so drawn shall be for the Lessor's sole account; and
 - (iii) the Lessee shall within ten (10) Business Days of demand by the Lessor, (A) provide the Lessor with a replacement Security Letter of Credit with a face value at least equal to, or (B) pay to the Lessor in cash an amount equal to, the Security Deposit less (x) any amount drawn under the Security Letter of Credit but not applied by the Lessor in satisfaction of the Lessee's obligations under the Lease (which amount shall constitute part of the Security Deposit amount) and (y) any other amount paid to the Lessor under this Section.
- (f) If the Security Deposit has been previously provided in cash, within ten (10) Business Days after receipt of a Security Letter of Credit, the Lessor shall pay to the Lessee an amount equal to the Security Deposit amount.
- (g) If a Security Letter of Credit is due to expire during the Lease Term or should otherwise cease to be legally valid and binding, the Lessee shall either (i) pay to the Lessor an amount equal to the Security Deposit amount or (ii) procure the renewal thereof or the issuance of a new Security Letter of Credit, in either case, at least five (5) Business Days before the expiry date of the then current Security Letter of Credit (or within five (5) Business Days of notice from the Lessor if the then current Security Letter of Credit ceasing to be legally valid and binding), it being understood that the renewed or re-issued Security Letter of Credit need only be valid with effect from the date of expiry of the previous Security Letter of Credit. The Lessor will return any expired Security Letter of Credit, any Security Letter of Credit which is replaced in accordance with this clause and any Security Letter of Credit which ceases to be legally valid and binding to Lessee promptly after it is replaced, expires or ceases to be legally valid and binding (as applicable).

(h) The Lessor shall return the Security Letter of Credit to the Lessee (or at the Lessee's request, to the issuing bank) not later than ten (10) Business Days after:

- (i) the (i) Lease Termination Date or (ii) receipt of the Security Deposit amount or (iii) another Security Letter of Credit in substitution for the Security Letter of Credit; and
- (ii) the Lessor is satisfied (acting in reasonably and in good faith) that all of the obligations under the relevant Lease then due and payable have been satisfied in full."

2. A new Section 6(d) is added to the GTA and reads follows:

"Notwithstanding anything to the contrary herein, and except as noted below, Use Fees collected for this Lease Agreement are reimbursable if a Qualifying Repair (as defined below) is required and Lessor agrees in writing that Lessee shall repair the Engine. In that case, Lessee shall arrange for induction of the Engine into a Lessor-approved maintenance center for maintenance according to a workscope that Lessor will provide in writing. Lessor will manage the maintenance in coordination with the Lessee. When the maintenance is complete to Lessor's satisfaction, and provided no Event of Default has occurred, Lessor will reimburse Lessee (or pay directly to the maintenance provider) the proportionate amount of any Use Fees that Lessor received from Lessee during the Term equal to the well-documented costs of the Qualifying Repair. Any Qualifying Repair costs that exceed the total Use Fees already accumulated under the Lease Agreement will be for Lessor's account. Use Fees are in all other circumstances non-reimbursable and nothing contained herein shall discharge or modify Lessee's responsibility for costs of repairs that are not Qualifying Repairs. In this Lease Agreement, "Qualifying Repair" means any off-wing Engine maintenance that is not caused by foreign object damage, accidents, improper transportation or mishandling of the Engine, Lessee's negligence, accidents or incidents, or any operational or maintenance related negligence, misuse, abuse or act or omission of Lessee or its agents during the Term."

3. Section 17.2 is deleted in its entirety and replaced by the following:

"The parties acknowledge and agree that the Equipment may be installed on airframe which is owned by or leased to Lessee or the Permitted Sublessee, provided that no Event of Default shall have been occurred and be continuing, and in any such case:

(a) Lessee or the applicable Permitted Sublessee has provided satisfactory evidence that the Lessee or the applicable Permitted Sublessee has title to such airframe and the airframe is free and clear of all Liens (except for Permitted Liens); or

(b) such other airframe is leased to the Lessee or the applicable Permitted Sublessee or owned by the Lessee or the applicable Permitted Sublessee subject to a conditional sale or other security agreement provided that if the Equipment will be installed on such airframe for more than one hundred fifty (150) days:

(i) such airframe is free and clear of all Liens except (A) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (B) Permitted Liens; and

(ii) Lessee shall provide procure a written agreement from the owner and/or secured party of such airframe (which may be contained in the lease, conditional sale or security agreement covering such airframe), on terms reasonably acceptable to the Lessor, whereby such owner or secured party expressly agrees that (A) neither it nor its successors or assigns will acquire or claim any right, title or interest in any Equipment by reason of such Engine being installed on such airframe at any time while such Engine is subject to this Agreement and (B) either the Owner (or the Security Trustee) will be designated loss payee in respect of any loss or damage to the Engine or will acquire title to a replacement engine if the Engine is destroyed or title to that Engine is lost.

(iii) To the extent the requirement set out this Section 17.2 are satisfied, Lessee shall not be required to comply with Section 6(c)(iv)”

4. Section 18.1(a) is deleted in its entirety and replaced by the following:

“Time remaining: At the time the Equipment is returned to Lessor, the time in hours and cycles since new or the last Full Engine Refurbishment Shop Visit (as defined below) or Performance Restoration Shop Visit, as applicable, shall not be more than the hours and, if applicable, cycles since new or the last such applicable Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit on the Engine at delivery if the Engine has not been installed on any aircraft during the Lease Term. “Full Engine Refurbishment Shop Visit” means a full engine refurbishment workscope performed in accordance with the applicable Engine manufacturer’s Workscope Planning Guide or Engine manufacturer’s equivalent maintenance planning document. For the avoidance of doubt, Lessee may install the Engine on any aircraft during the Lease Term in accordance with the applicable provision of this GTA and will not be required to return the Equipment with prescribed return conditions limiting the Lessee’s usage of the Engine provided that the Engine’s full take-off power EGT margin shall be within the acceptable and serviceable range based on Lessee’s operational experience with the particular engine model. Compensation for any difference between the condition of the Equipment at delivery and redelivery is provided for in subsection 18.1(b) below.”

5. Section 18.1(b) is deleted in its entirety and replaced by the following:

“Compensation: Upon return of the Equipment, Lessee shall make a payment to Lessor to compensate Lessor for any difference between the condition of the Equipment on the Delivery Date and the condition of the Equipment at the time of return. Any available engine heavy maintenance and, if applicable, life-limited parts Use Fees, paid to Lessor by Lessee related to an Engine, may be utilized towards such respective payments due on the return of that particular Engine; provided, that such payments shall not be utilized for the repair of damage caused by Lessee or for the repair of defects caused by foreign objects or by operational abuse or misuse including, but not limited to, incorrect or unauthorized settings or overspeed or component failure. If the Engine did not undergo any Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit during the Lease Term, Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee’s mean cost of Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind

engines in Lessee's fleet at the time of return divided by Lessee's mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet. In the event work is undertaken by Lessee, with respect to each Engine Module (as defined below), Lessee shall compensate Lessor if the number of flight hours and, if applicable, cycles on the Engine since new or the most recent shop Full Engine Refurbishment Shop Visit or Performance Restoration Shop Visit, as applicable at the time of return is more than the number of such flight hours and, if applicable, cycles on the Engine Module on the Delivery Date. The per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be determined by Lessee's mean cost of each Engine Module Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet at the time of return divided by Lessee's mean time between Full Engine Refurbishment Shop Visits or Performance Restoration Shop Visits for like kind engines in Lessee's fleet. In the event that Lessee has insufficient fleet shop visit data to determine the preceding, the per-hour and, if applicable, per-cycle charge, payable to Lessor in respect of such difference shall be based on the Use Fee table and Engine Module table set out in Schedule 1 to the Lease Agreement.

In addition, Lessee shall compensate Lessor at the conclusion of the Lease Term for life used on life-limited parts during the Lease Term, as determined by the difference between the life-limited parts sheets for the Engine on the Delivery Date and the life-limited parts sheets for the Engine at the time of return. The amount of such compensation shall be calculated by reference to the applicable manufacturer's parts price catalogue and the manufacturer's published maximum life limits of the applicable life limited parts current at the time of redelivery."

6. A new Section 18.3(j) is added to the GTA and reads follows:

“ECM Return: Provided that no Event of Default has occurred and continuing, Lessor agrees to waive the requirement of a full Test Cell Run as required under Section 18.1(c) and Section 18.2(c), provided that two (2) weeks prior to Lessor's receipt of the ECM Return Notice (as defined below), Lessee shall provide to Lessor, for Lessor's review, preliminary ECM or EHM (as applicable) data and operating history (from the date of installation of the Engine until the then-current date). If no unusual and/or unacceptable conditions (as defined below) are noted within such preliminary data and history, then, immediately after the final flight, Lessee will provide to Lessor and the original equipment manufacturer (“OEM”), for each of their respective review, final ECM or EHM (as applicable) maintenance data and operating history (installation until the then-current date), in a format approved by the OEM for the purpose of issuing the Engine health summary, and authorization for Lessor and the OEM to access such ECM or EHM (as applicable) data. Lessor will invoice and Lessee agrees to pay the then current rate for an OEM generated ECM health report (“ECM Health Report”). (For reference only, the 2019 rate is US\$5,000.00.) If no unusual and/or unacceptable conditions are noted within such final data and history, then Lessor will provisionally waive a requirement for a Test Cell Run (as defined below) and accept in its place an ECM Health Report return (“ECM Return”). If, on the other hand, any unusual and/or unacceptable conditions are identified during review of either the preliminary or the final ECM or EHM (as applicable) data or operational history, in each case, that cannot be troubleshoot and/or corrected while on wing, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine by an FAA FAR Part 145 or EASA Part 145 approved repair station reasonably acceptable to Lessor at Lessee's sole expense. As used herein, “unusual and/or unacceptable conditions” means any discrepancies, defects and/or excursions from the base line that have not been corrected in accordance with the applicable aircraft maintenance manual prior to review of the preliminary or final, as the case may be, ECM

or EHM (as applicable) data. In addition to the ECM Return (or, if applicable, the Test Cell Run), (i) Lessee will perform or cause to be performed on the Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full (compressor, combustion and turbine sections) video borescope inspection ("Borescope Inspection") to be accomplished after the ECM Return (or, if applicable, the Test Cell Run); (ii) the Engine and its QEC will be inspected to the equivalent of the requirements of the respective aircraft manufacturer's Maintenance Planning Document ("MPD") "C" Check, or engine Stagger Check (as applicable); and (iii) any outstanding tasks required by Lessee's Approved Maintenance Program and maintenance schedule will be performed.

As identified and required above, throughout the Lease Term, Lessee will monitor and record Engine performance and, at redelivery, Lessee will provide complete and legible ECM or EHM (as applicable) data, to include both take off and cruise performance and mechanical parameters covering the complete installation term of such Engine since delivery. If Lessee fails to provide the required ECM or EHM (as applicable) data or the Engine's operating, maintenance and inspection history, then Lessee shall be required to cause a Test Cell Run to be performed on the Engine at Lessee's sole expense. If review of the Engine's operating, maintenance or inspection history, or ECM or EHM (as applicable) data throughout the Lease Term, do not meet acceptable standards for the Engine, or the Borescope Inspection or Engine or QEC inspection identifies any unusual and/or unacceptable conditions with respect to the Engine, or the Engine condition is not consistent with the OEM's published unrestricted reinspection intervals, then Lessee will immediately notify Lessor of the findings.

If the ECM Health Report, aforementioned required data, operating or maintenance history, Borescope Inspection or Engine or QEC inspection or, if required, the Test Cell Run identifies an unusual and/or unacceptable condition for which Lessee is responsible under Section 6(a)(i) of the GTA, then Lessee will be responsible for repairing the Engine to return it to the acceptable standard for the Engine and the costs therefor. Lessee shall be liable for repairs and/or correction of any condition that results in a reinspection interval for which Lessee is responsible, as required by Section 6(a)(i) of the GTA. For the avoidance of doubt, the Engine shall continue to remain on lease until the aforementioned repairs and/or corrections have been completed to Lessor's satisfaction.

Lessee shall provide Lessor with a minimum of two (2) weeks' advance notice of Lessee's intention to perform the ECM Return (the "ECM Return Notice"), Borescope Inspection and, if required, the Test Cell Run, and a minimum of ten (10) days' advance notice prior to performing the Borescope Inspection and, if required, the Test Cell Run, so that Lessor shall have time to have a technical representative present during such Engine inspections and tests, as applicable. Lessee will also provide Lessor with a minimum of ten (10) days' advance notice of the location of such Engine inspections and tests, as applicable. In the event Lessee fails to provide the requisite advance notice to Lessor and Lessee performs any inspections or tests, as applicable, without Lessor's technical representative present to witness same, Lessee will be required to re-perform such inspections and/or tests, as applicable, with Lessor's technical representative present."

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its individual capacity but solely as Owner Trustee

By: 
Name: J. Brent Allen
Title: Vice President

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under power of attorney dated 25 February 2019

In the presence of:

Signature of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of witness

Full name of attorney


IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

**WELLS FARGO TRUST COMPANY,
NATIONAL ASSOCIATION**, not in its
individual capacity but solely as Owner
Trustee

By: _____
Name: _____
Title: _____

Signed for and on behalf of **VB LeaseCo Pty
Limited (with Australian Business Number
29 134 268 741)** by its attorney under power of
attorney dated 25 February 2019

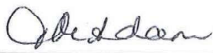
In the presence of:



Signature of witness

BILLY WILKINSON

Full name of witness



Signature of attorney who declares that
the attorney has not received any notice
of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Schedule 1
to Aircraft Engine Lease Agreement

ARTICLE V **Agreed Value of Equipment:** US\$10,000,000.

ARTICLE VI **Lease Payments:**

Rent:

US\$58,000 per month when Engine is operated as CFM56-7B24 or lower, and

US\$64,000 per month when Engine is operated as CFM56-7B26.

Pro Rata Rent:

If the Delivery Date is other than the first day of a calendar month, Lessee will pay to Lessor, in arrears on the first day of the next succeeding calendar month, a pro rata Rent payment equal to the monthly Rent divided by 30 multiplied by the actual number of days from the Delivery Date to the first day of the next succeeding calendar month.

During each Off-Wing Period, the above Rent payments will not be applicable and the Rent shall be

US\$333.33 per day.

“Off Wing Period” means each day during the period commencing on the Delivery Date and ending on the first anniversary of the Delivery Date when (a) the Engine is not installed onto any airframe and (b) no components or parts from the Engine are being replaced or removed; provided however that the aggregate number of such days shall not exceed 90 days.

Use Fees: Lessee will not be required to pay monthly Use Fees during the Lease Term. Use Fee compensation will instead be calculated and charged at the return of the Equipment in accordance with Section 18.1(b) of the Lease Agreement.

Virgin Australia, CFM56-7B Rates, Medium Severity, 10% Proven Derate					
Ratio	7B20 Hourly	7B22 Hourly	7B24 Hourly	7B26 Hourly	Cyclic
1.5	\$129.12	\$142.15	\$145.13	\$161.37	\$163.38
1.6	\$122.91	\$136.08	\$139.20	\$152.55	\$163.38
1.7	\$118.57	\$131.17	\$134.14	\$144.74	\$163.38
1.8	\$114.23	\$126.97	\$129.08	\$137.80	\$163.38
1.9	\$110.91	\$122.35	\$124.17	\$132.02	\$163.38
2.0	\$107.73	\$118.73	\$120.26	\$126.09	\$163.38
2.1	\$104.98	\$115.55	\$117.23	\$121.32	\$163.38
2.2	\$101.65	\$112.66	\$113.18	\$117.41	\$163.38
2.3	\$98.91	\$109.77	\$111.30	\$112.50	\$163.38
2.4	\$95.72	\$107.17	\$107.25	\$108.59	\$163.38

2.5	\$93.41	\$104.85	\$105.23	\$105.56	\$163.38
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*If the hour:cycle ratio decreases or increases, the flight hour charge will be increased or decreased proportionally. On 1 January 2019 and each January 1st thereafter, Use Fee will be adjusted based on actual operating environment, severity, proven derate level, and hour:cycle ratio, and will be escalated at fixed 3.5% (for flight hours) and OEM's LLP part price (for flight cycles) for such year.

The above rates will be applied to each Engine Module on the following percentages:

Major Module	Flight Hour Percentage
Fan & Booster	7%
HPC	35%
HPT & Combustor	40%
LPT	13%

"Engine Modules" means each of (a) Fan & Booster (ATA Chapters 72-21/22/23); (b) HPC (ATA Chapters 72-31/32/33); (c) HPT & Combustor (ATA Chapters 72-41/42/51/52/53) and (d) LPT (ATA Chapters 72-54/55/56).

NOTE: : In the event any Equipment is not returned to Lessor as required by Section 18 or at the time and location required by the relevant Lease, in addition to all other rights and remedies available to Lessor, the Lease Term will be extended as to such Equipment, and Lessee shall pay Lessor (i) for the 30 day period following expiration of the Lease Term 100% of the Rent, and (ii) for a period beyond 30 days from expiration of the Lease Term 125% of the Rent for the Equipment, in each case payable monthly in advance, for each day following the expiration of the Lease Term until the Equipment is returned to Lessor in the condition required by Section 18 and pursuant to all other terms and conditions of the relevant Lease. Lessee shall use all reasonable effort to return the Equipment and shall not operate the Equipment or permit the Equipment to be operated while such Lease Term has been so extended but shall otherwise comply with its obligations under the relevant Lease.

ARTICLE VII Payments Due on Delivery:

Security Deposit:	US\$100,000
Advance Rent:	US\$ 64,000
Transaction Fee:	US\$ 0
Advance Use Fee:	US\$ 0
Total Payment:	<u>US\$164,000</u>

ARTICLE IX Security Deposit:

Security Deposit: US\$100,000.

Lessee may replace the cash Security Deposit with a Security Letter of Credit.

ARTICLE XIV Subleases:

Sublessee: Any member of the Virgin Australia Group (being Virgin Australia Holdings Limited, Virgin Australia International Holdings Pty Ltd and each of their wholly owned subsidiaries), provided that such members have satisfactory completed Lessor's KYC process.

SECTION 19(a)(viii) of the GTA - Threshold Amount:

US\$25,000,000 (Twenty-Five Million US Dollars).

Appendix A

**WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B S/N 894902
ACCESSORY INVENTORY
11-Sep-2019**

ETT: 14,396.37 LOCATION: KLM Amsterdam
 ETC: 5,096 OPERATOR: KLM Jet2.com
 TECHNICAL DEPARTMENT VERIFICATION BY: Dan O'Riordan DATE: 30-Aug-19
 RECORDS DEPARTMENT VERIFICATION BY: Hermann Lehtenheldt DATE: 11-Sep-19

QTY	DESCRIPTION	TYPICAL PART NUMBER	PIN	SIN	TSN	TSO	TS/TSR	REMARKS
1	AIR STARTER	1851M36P10	3C05945-10	GRTA9107	32 189.21	N/R	N/R	
1	ALTERNATOR STATOR	2123M63P02	9387M17P09	HTL11409	50,272.97	N/R	N/R	
1	ECU SOFTWARE	2044M25P17	2044M25P19	Version 7_B_W2F3 (7E6A)	N/R	N/R	N/R	Version 7_B_W2F3 (7E6A)
1	ELECTRONIC CONTROL UNIT	2042M67P04	2042M67P04	FFFB4866	N/R	N/R	0.00	
1	ENGINE IDENTIFICATION TRIM PLUG	390-660-401-0	390-660-401-0	YY097368-J	14,396.37	14,396.37	14,396.37	
1	FUEL DIFF SWITCH	340-402-706-0	QA07996ISS3	EM382356-R	14,396.37	14,396.37	14,396.37	
1	FUEL FILTER	340-403-004-0	FA00631C	FECL4546	14,396.37	14,396.37	14,396.37	
1	FUEL FLOW TRANSMITTER	1853M48P03	826300-5	YA050259-2	14,396.37	14,396.37	14,396.37	
1	FUEL PUMP	340-402-105-0	3291186-6	GRTT2155	14,396.37	5,876.37	5,876.37	
1	HPT CLEARANCE CONTROL VALVE	1821M59P06	442653	BECW5465	14,396.37	14,396.37	14,396.37	
1	HYDROMECHANICAL UNIT	1853M56P14	10-631045-3	EM550442-1	0.00	0.00	0.00	
1	IDG OIL COOLER	45731-1393	45731-1393	EM472017-E	14,396.37	14,396.37	14,396.37	
1	IGNITION EXCITER UPPER	9238M66P08	9238M66P08	UNJHR827	14,396.37	14,396.37	14,396.37	
1	LPT CLEARANCE CONTROL VALVE	340-402-005-0	C24937001-1/A	EM472017-E	14,396.37	14,396.37	14,396.37	
1	LUBRICATION UNIT	41F1005	41F1005	YT130194-7	14,396.37	14,396.37	14,396.37	
1	N1 SPEED SENSOR	3215K6B01	320-862-402-0	EM176232-F	14,396.37	14,396.37	14,396.37	
1	N2 SPEED SENSOR	320-549-005-0	320-549-005-0	EM168594-N	14,396.37	14,396.37	14,396.37	
1	OIL ANTI LEAK VALVE	41F3003	41F3003	YT020210-F	14,396.37	14,396.37	14,396.37	
1	OIL CLOGGING TRANSMITTER	0A07656IS1	0A07656IS1	PR4-14360	14,396.37	14,396.37	14,396.37	
1	OIL PRESSURE SENSOR	340-402-802-0	APTE-8A2300P-7BARD	YK012518-T	N/R	616.00	616.00	
1	OIL CITY TRANSMITTER	340-402-801-0	81J146CFAT1	YEO22401-P	14,396.37	14,396.37	14,396.37	
1	OIL SCAVENGE FILTER	41F9003	41F9003	MAN495435-F	0.00	0.00	0.00	
1	OIL TANK	41F5102	41F5102	Y1123257-K	14,396.37	14,396.37	14,396.37	
1	OIL TEMP SENSOR PROBE	340-403-201-0	RP238-00	EM357333-E	14,396.37	14,396.37	14,396.37	
1	OIL/FUEL HEAT EXCHANGER	45332-8039	11-841193-4	YY083740-V	14,396.37	14,396.37	14,396.37	
1	SERVO FUEL HEATER	45731-1382	45731-1382	EM157153-1	14,396.37	14,396.37	14,396.37	
0	T1.2 TEMP SENSOR	RP235-00						NOT PROVIDED
1	T3 SENSOR - COMP. DISCHARGE TEMP.	1853M47P01	8TC19AA1	FDT59602	14,396.37	14,396.37	14,396.37	
1	TRANSIENT BLEED VALVE	1821M60P04	3291390-3	GRTT1258	14,396.37	14,396.37	14,396.37	
1	VBV BALL SCREW ACTUATOR LH	340-402-604-0	N/V	N/V	N/R	N/R	N/R	
1	VBV BALL SCREW ACTUATOR RH	340-402-604-0	N/V	N/V	N/R	N/R	N/R	
1	VSV ACTUATOR LH	1324M12P10	1211313-010	APMRG328	6,575.98	6,575.98	6,575.98	
1	VSV ACTUATOR RH	1324M12P10	1211313-010	APMRG335	6,575.98	6,575.98	6,575.98	
1	ACCESSORY GEARBOX	340-046-505-0	340-046-502-0	WZ1099	14,396.37	14,396.37	14,396.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY497005	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY5094C	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY3268H	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY42931	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY3137P	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G16	1317M47G16	PCY2402J	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G16	1317M47G16	PATBD815	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G16	1317M47G16	PHC KC959	N/R	5,879.37	5,879.37	

N/R: INSTALLED, NOT RECORDED
 NSN: NO SERIAL NUMBER
 N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CF M56-7B S/N 894902
ACCESSORY INVENTORY
11-Sep-2019

ETT: 14,396.37 LOCATION: KLM Amsterdam
ETC: 5,096 OPERATOR: KLM Je2.com
TECHNICAL DEPARTMENT VERIFICATION BY: Dan O'Riordan DATE: 30-Aug-19
RECORDS DEPARTMENT VERIFICATION BY: Hermann Lichtenheidt DATE: 11-Sep-19

QTY	DESCRIPTION	TYPICAL PART NUMBER	PIN	SIN	TSN	TSO	TS/TSR	REMARKS
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY4108W	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PSDFC107	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY4929J	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY2533A	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY6848T	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	OHPL08A1	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	RHC6M666	N/R	5,879.37	5,879.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PSDEF656	14,396.37	14,396.37	14,396.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY5720J	14,396.37	14,396.37	14,396.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY5912J	14,396.37	14,396.37	14,396.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY9854J	14,396.37	14,396.37	14,396.37	
1	FUEL NOZZLE	1317M47G18	1317M47G18	PCY9890H	14,396.37	14,396.37	14,396.37	
1	HARNES CJ10	325-025-401-0	325-025-401-0	EM245922-C	14,396.37	14,396.37	14,396.37	
1	HARNES CJ9	325-045-201-0	325-045-201-0	EM240902-F	14,396.37	14,396.37	14,396.37	
1	HARNES J10	325-043-502-0	325-043-502-0	EM238676-E	14,396.37	14,396.37	14,396.37	
1	HARNES J5	325-034-902-0	325-034-902-0	EM210894-9	14,396.37	14,396.37	14,396.37	
1	HARNES J6	325-035-003-0	325-035-003-0	EM215885-6	14,396.37	14,396.37	14,396.37	
1	HARNES J7	325-025-702-0	325-025-702-0	EM220900-K	14,396.37	14,396.37	14,396.37	
1	HARNES J8	325-025-803-0	325-025-803-0	EM225894-R	14,396.37	14,396.37	14,396.37	
1	HARNES J9	325-043-401-0	325-043-401-0	YH655887-U	14,396.37	14,396.37	14,396.37	
1	IGNITER LEAD RH	1653M13P01	9058110-1	UNK70588	14,396.37	14,396.37	14,396.37	
1	IGNITER LEAD LH	1653M13P01	9058110-1	UNK70471	14,396.37	14,396.37	14,396.37	
1	J1 WIRE BUNDLE	325-035-503-0	325-035-503-0	EM250895-8	14,396.37	14,396.37	14,396.37	
1	J2 WIRE BUNDLE	325-026-802-0	325-026-802-0	EM255895-G	14,396.37	14,396.37	14,396.37	
1	J3 WIRE BUNDLE	325-015-001-0	325-015-001-0	EM260895-3	14,396.37	14,396.37	14,396.37	
1	J4 WIRE BUNDLE	325-035-201-0	325-035-201-0	EM265899-F	14,396.37	14,396.37	14,396.37	
1	PROBE T49.5 (UPPER LH)	TC296-03	TC296-03	YG419164-A	14,396.37	14,396.37	14,396.37	
1	PROBE T49.5 (LOWER LH)	TC296-03	TC296-03	YV498820-R	14,396.37	14,396.37	14,396.37	
1	PROBE T49.5 (UPPER RH)	TC296-03	TC296-03	YZ498776-2	14,396.37	14,396.37	14,396.37	
1	PROBE T49.5 (LOWER RH)	TC296-03	TC296-03	YZ1129	N/R	N/R	N/R	AD 9B-14-51
1	TRANSFER GEARBOX	340-050-705-0	340-050-705-0	NV	N/R	N/R	N/R	
1	VIBRATION SENSOR FFCC	144-187-000-011	144-187-000-011	NV	N/R	N/R	N/R	
1	ALTERNATOR ROTOR	2123M62P01	2123M62P01	NV	N/R	N/R	N/R	
1	GIT/T25 TEMP SENSOR	RP236-00	RP236-00	EM397185-N	14,396.37	14,396.37	14,396.37	
1	SPARK (IGNITER MAIN (LOWER))	CH31900-6	CH31900-6	NV	N/R	N/R	N/R	
1	SPARK (IGNITER MAIN (UPPER))	CH31900-6	CH31900-6	NV	N/R	N/R	N/R	
12	VBV DOORS	340-074-402-0	340-074-402-0	NV	N/R	N/R	N/R	
1	VIBRATION SENSOR BRG #1	144-186-000-011	144-186-000-011	NV	N/R	N/R	N/R	

N/R: INSTALLED, NOT RECORDED
NSN: NO SERIAL NUMBER
N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B S/N 894902
QEC INVENTORY
11-Sep-2019

ETT: 14,396.37
ETC: 5,096
OPERATOR: KLM Amsterdam
Dan O'Riordan
Hermann Löhlehenheldt

LOCATION: KLM Jet2.com
DATE: 30-Aug-19
DATE: 11-Sep-19

TECHNICAL DEPARTMENT VERIFICATION BY:
RECORDS DEPARTMENT VERIFICATION BY:

QTY	DESCRIPTION	PPBM REFERENCE	TYPICAL PART NUMBER	P/N	S/N	TSN	TSO	TS/TSR	REMARKS
0	HYDRAULIC PUMP (WICKERS)	71-00-02	1042167-3						NOT PROVIDED
0	HYDRAULIC PUMP (ABEX)	FIGURE 20, ITEM 15	1042167-3/-2						NOT PROVIDED
0	DDG	FIGURE 20, ITEM 15	S281A001-101						NOT PROVIDED
0	DDG RELIEF VALVE	FIGURE 24, ITEM 10	2636180						NOT PROVIDED - N/A TO CONFIGURATION
0	BLEED AIR REGULATOR	FIGURE 14, ITEM 10	1074924-6						NOT PROVIDED
0	CHECK VALVE	FIGURE 16, ITEM 250	3202222-1						NOT PROVIDED
1	FIRE DETECTOR LEFT CORE	FIGURE 28, ITEM 15	9022862	NV	NV	N/R	N/R	N/R	MVI (BOEING P/N S332T100-43) - AD 88-2-1-1
1	FIRE DETECTOR LOWER FAN	FIGURE 28, ITEM 10	9020164-01	NV	NV	N/R	N/R	N/R	MVI (BOEING P/N S332T100-30) - AD 88-2-1-1
1	FIRE DETECTOR RIGHT CORE	FIGURE 28, ITEM 20	9020164-01	NV	NV	N/R	N/R	N/R	MVI (BOEING P/N S332T100-38) - AD 88-2-1-1
1	FIRE DETECTOR UPPER FAN	FIGURE 28, ITEM 5	9022864	6458	14,396.37	14,396.37	14,396.37	14,396.37	MVI (BOEING P/N S332T100-44) - AD 88-2-1-1
1	FUEL INLET HOSE ASSY	FIGURE 28, ITEM 5	AE713733-1	\$332A280-5	6201	14,396.37	14,396.37	14,396.37	ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044A007 Rev R, ITEM 73-3
0	HIGH STAGE REGULATOR	FIGURE 14, ITEM 150	1074947						NOT PROVIDED
0	HIGH STAGE VALVE	FIGURE 16, ITEM 150	3214446-4						NOT PROVIDED
1	HYDRAULIC FILTER	FIGURE 21, ITEM 5	7579078	24631	14,396.37	14,396.37	14,396.37	14,396.37	MVI (BOEING P/N 1040955-7)
1	DDG AIR/OIL COOLER	FIGURE 23, ITEM 5	UA538551-3	6015	14,396.37	14,396.37	14,396.37	14,396.37	MVI (VENDOR P/N S332A260-1)
1	MOUNT ASSY-AFT	FIGURE 3, ITEM 5	310A2030-17	N/R	N/R	N/R	N/R	N/R	AD 2011-18-10
1	MOUNT ASSY -AFT HANGER FITTING	FIGURE 3, ITEM 5	310A2031-25	65826Y	14,396.37	14,396.37	14,396.37	14,396.37	
1	MOUNT ASSY - FORWARD	FIGURE 4, ITEM 15	310A2031-25	310A2031-25	14,396.37	14,396.37	14,396.37	14,396.37	
1	MOUNT ASSY - FWD HANGER FITTING ASSY	FIGURE 4, ITEM 10	310A2031-11	607000282109	14,396.37	14,396.37	14,396.37	14,396.37	
1	PLUG ASSY (EXHAUST PLUG)	FIGURE 32, ITEM 15	310A2021-1	310A2021-1	14,396.37	14,396.37	14,396.37	14,396.37	
0	PRECOLER CONTROL VALVE (VALVE-FAN AIR)	FIGURE 14, ITEM 75	314A2620-1	14,396.37	14,396.37	14,396.37	14,396.37	14,396.37	NOT PROVIDED
0	PRECOLER CONTROL VALVE (VALVE-SLEEVE)	FIGURE 27, ITEM 60	3286662-5						NOT PROVIDED
1	PRIMARY NOZZLE ASSY (EXHAUST SLEEVE)	FIGURE 32, ITEM 100	213N41-52	314A2610-62	14,596.38	14,596.38	14,596.38	14,596.38	NOT PROVIDED
0	PRSOV	FIGURE 18, ITEM 5	3216552-6						NOT PROVIDED
0	START VALVE (SHUT OFF)	FIGURE 25, ITEM 175	3269630-2						NOT PROVIDED
1	THRUST LINK LEFT	FIGURE 31, ITEM 5	310A2041-9	166706	14,396.37	14,396.37	14,396.37	14,396.37	NOT PROVIDED
1	THRUST LINK RIGHT	FIGURE 31, ITEM 10	310A2041-10	174909	14,396.37	14,396.37	14,396.37	14,396.37	NOT PROVIDED
0	VALVE ASSY (CTAJ)	FIGURE 27, ITEM 225	3215618-4						NOT PROVIDED
0	VALVE, GROUND WING TAI TEMP	FIGURE 14, ITEM 5	32094E-2						NOT PROVIDED
1	HOSE - HYDRAULIC CASE DRAIN UPPER	FIGURE 21, ITEM 75	155006-06-23	\$332A210-23	7945	14,396.37	14,396.37	14,396.37	ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044A007 Rev R, ITEM 25-1A
1	HOSE ASSY - HYDRAULIC PRESSURE	FIGURE 21, ITEM 225	155012-12-21	NV	NV	N/R	N/R	N/R	ETOPS COMPLIANT - REF BOEING ETOPS CMP DOCUMENT D044A007 Rev R, ITEM 25-1A
0	HYDRAULIC PUMP ADAPTER (WICKERS)	FIGURE 20, ITEM 105	387999						NOT PROVIDED
0	HYDRAULIC PUMP OAD KIT (ABEX)	FIGURE 20, ITEM 105	60627						NOT PROVIDED
0	DDG TUBE ASSY RELIEF VALVE	FIGURE 24, ITEM 15	332A2240-4						NOT PROVIDED - N/A TO CONFIGURATION
1	12 O'CLOCK STRUT ASSY	FIGURE 13, ITEM 5	332A2371-3	NV	NV	N/R	N/R	N/R	
1	T2 O'CLOCK STRUT ROD ASSY	FIGURE 13, ITEM 70	315A2080-4	NV	NV	N/R	N/R	N/R	
1	CHECK VALVE - HYD DRAIN	FIGURE 21, ITEM 15	BACV10CE12	NV	NV	N/R	N/R	N/R	
1	DUCT ASSY -5TH	FIGURE 16, ITEM 105	332A2323-14	NV	NV	N/R	N/R	N/R	
1	DUCT ASSY -9TH	FIGURE 16, ITEM 200	332A2321-10	NV	NV	N/R	N/R	N/R	

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WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B S/N 894902
QEC INVENTORY
11-Sep-2019

ETT: 14,396.37
 ETC: 5,096
 TECHNICAL DEPARTMENT VERIFICATION BY: Dan O'Riordan
 RECORDS DEPARTMENT VERIFICATION BY: Hermen Lichtenheldt

LOCATION: KLM Amsterdam
 OPERATOR: KLM Jet2.com
 DATE: 30-Aug-19
 DATE: 11-Sep-19

QTY	DESCRIPTION	PPBM REFERENCE	TYPICAL PART NUMBER	P/N	S/N	TSN	TSO	TS/TSR	REMARKS
0	DUCT ASSY - CTAL	71-00-02	332A2390-48	N/V					
1	DUCT ASSY - FORWARD TAI	FIGURE 13, ITEM 100	332A2390-45	N/V					
1	DUCT ASSY - INTERSECTION MANIFOLD	FIGURE 16, ITEM 300	332A2322-54	M807440					
1	DUCT ASSY (LOWER, START VALVE)	FIGURE 25, ITEM 100	332A2313-1	M854070					
1	DUCT ASSY - REAR TAI	FIGURE 27, ITEM 250	332A2390-12	M854130					
0	DUCT ASSY (FRSGV)	FIGURE 18, ITEM 300	332A2326-45						
1	DUCT ASSY (UPPER, START VALVE)	FIGURE 25, ITEM 250	332A2310-4	N/V					
1	HOSE - HYDRAULIC CASE DRAIN LOWER	FIGURE 21, ITEM 200	155006-06-16	S332A210-16					
1	HOSE ASSY - HYDRAULIC SUPPLY	FIGURE 21, ITEM 300	155016-20-11	S332A210-11					
1	IDG HARNESS W/062	FIGURE 29, ITEM 5	286A1062-002	N/V					
1	IDG HOSE ASSY - INLET	FIGURE 24, ITEM 100	115096-4	N/V					
1	IDG HOSE ASSY - OUTLET	FIGURE 24, ITEM 200	115096-2	N/V					
1	IDG TUBE ASSY - AOC INLET	FIGURE 24, ITEM 150	332A2240-11	N/V					
1	IDG TUBE ASSY - AOC OUTLET	FIGURE 24, ITEM 50	332A2240-1	N/V					
1	IDG OAD ADAPTER	FIGURE 22, ITEM 75	762246	5628					
1	MACELLE BRACKET - LH	FIGURE 4, ITEM 950	332A2930-61	NSN					
1	MACELLE BRACKET - RH	FIGURE 6, ITEM 225	332A2930-62	NSN					
1	OIL SCUPPER DRAIN HOSE	FIGURE 10, ITEM 100	B700-2	N/V					
1	QEC KIT		QECNG5737-200	N/V					

N/R: INSTALLED, NOT RECORDED
 NSN: NO SERIAL NUMBER
 N/V: PART INSTALLED, NOT VISIBLE

WILLIS LEASE FINANCE, AS SERVICER
CFM56-7B ESN 894902
MVP BAG / STAND INFORMATION
11-Sep-2019

ETT: 14,396.37 LOCATION: KLM Amsterdam
 ETC: 5.096 OPERATOR: KLM Jet2.com
 TECHNICAL DEPARTMENT VERIFICATION BY: Dan O'Riordan DATE: 30-Aug-19
 RECORDS DEPARTMENT VERIFICATION BY: Hermann Lichtenthaldt DATE: 11-Sep-19

QTY	DESCRIPTION	P/N	S/N	REMARKS
1	MVP BAG	5305-7WL2	NSN	
1	STAND. BASE	AM-2563-200	1216	
1	STAND. GRADLE	AM-2811-4800	769	
2	TOW BARS	AM-1803-719	NSN	
1	STEERING BAR	AM-2529-B-1	NSN	
1	SPANNER WRENCH	NPN	NSN	

N/R: INSTALLED, NOT RECORDED
 NSN: NO SERIAL NUMBER
 N/V: PART INSTALLED, NOT VISIBLE



ESN: 894902

General Engine Info		Aircraft Information		Limiting Part Information	
Model and type of engine	CFM56-7B27/3	Aircraft registration:	N/A	Power Rating	7820/3
Current power rating of engine	7826/3	Position:	N/A	7824/3	7825/3
EGT Margin of engine dog C	62	Current TSN of Aircraft:	N/A	7826/3	Multiple
Current engine date	3-May-17	Current CSN of Aircraft:	N/A	7827/3	Multiple
Current engine date	In storage - KLM	Current CSN of Aircraft at last installation:	N/A	7828/3	Multiple
Engine at date:	25-Aug-2019	Engine Status	In Storage		
Current TSN of engine:	14,396.37				
Current CSN of engine:	5,096				
Last installed on Shop Input:					
TSN of last installation / shop input:	29-Aug-19	Engine Comments:			
CSN of last installation / shop input:	14,396.37	OEC Kit PN: NPN SN: NSN, less Major Vendor Items and parts as identified in the Accessory/OEC Inventory.			
	5,096	EGT Margin index: 62 degrees C - @7826/3 Thrust, Test Cell			
		Environmental Ops: China - NO, India - NO, ME - NO			
Non Limited Parts Information					
Name	Part Number	Serial Number			
Shipping Stand Cradle	AM-2811-4800	793			
Shipping Stand Base	AM-2863-260	1216			

Module Name	Name	Part Number	Serial No	Total Hours	Total Cycles	Cycles Used		Cycles Limit		Cycles Remaining			
						7820/3	7824/3	7826/3	7827/3	7828/3	7824/3	7826/3	7827/3
Fan Rotor	Fan Disk	345-000-420-0	3D763554	14,396.37	5,096	827	157	3,700	412	30,000	30,000	24,904	24,904
Fan Rotor	Fan Booster Spool	345-000-416-0	3D975603	14,396.37	5,096	827	157	3,700	412	30,000	30,000	24,904	24,904
Fan Rotor	Fan Shell	335-008-414-0	3D935411	14,396.37	5,096	827	157	3,700	412	30,000	30,000	24,904	24,904
Fan Rotor	Fan Slip 2 Steel	158842917	3A854055	14,396.37	5,096	827	157	3,700	412	30,000	30,000	24,904	24,904
HPC Rotor	HPC Slip 2 Steel	158842917	3A854055	14,396.37	5,096	827	157	3,700	412	30,000	30,000	24,904	24,904
HPC Rotor	HPC Slip 4.5 Steel	204842603	GWNFWR	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPC Rotor	HPC Fwd Shaft	138842603	GWNF7AA	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPC Rotor	HPC CDP Seal	2116M25P01	GFEDTAM	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPC Rotor	HPT Disk	1496M43P07	GWNFRH4	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPT Rotor	HPT Front Aressal	2116M20P02	GWNGFTC0	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPT Rotor	HPT Front Shaft	2048M21P03	KAEX5016	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
HPT Rotor	HPT Rear Shaft	186M49P04	TMTNT171	14,396.37	5,096	827	157	3,700	412	20,000	20,000	14,904	14,904
LPT Rotor	LPT Slip 1 Disk	335-001-004-0	3D021355	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Slip 2 Disk	335-001-008-0	3D989105	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Slip 3 Disk	335-001-006-0	3D989105	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Slip 4 Disk	335-002-105-0	3D935724	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Rotor Support	335-077-502-0	3C979768	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Shaft	345-074-723-0	3D570630	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Rear Frame	345-186-410-0	LA156132	14,396.37	5,096	827	157	3,700	412	25,000	25,000	19,904	19,904
LPT Rotor	LPT Case	338-117-407-0	3C722604	14,396.37	5,096	827	157	3,700	412	N/L	N/L	N/L	N/L

Authorising Signature _____ Date _____

Although the information in this report has been obtained from sources which Willis Lease Finance Corporation (as Servicer) believes to be reliable, any such information may be incomplete or condensed. All data and information included in this report is for information purposes only, and is not intended as official documentation with respect to the purchase of this engine.

ESN: 894902

General Engine Info	
Model and type of engine	CFM56-7B27/3
Current power rating of engine	7B26/3
EGT Margin of engine deg C	62
EGT Margin value date	3-May-17
Current Location	In storage - KLM
Engine at date:	29-Aug-2019
Current TSN of engine:	14,904, 37
Current CSN of engine:	5,066
Last installation / shop input:	29-Aug-19
TSN of last installation / shop input:	14,904, 37
CSN of last installation / shop input:	5,066
Non Limited Parts Information	
Part Number	Serial Number
AM-2811-4800	769
AM-2453-200	1216

Aircraft Information	
Aircraft registration:	N/A
Position:	N/A
Current TSN of Aircraft:	N/A
TSN of Aircraft at last installation:	N/A
CSN of Aircraft at last installation:	N/A
Engine Status	In Storage
Engine Comments:	
QEC KCPN: NPN SN: NSN (see Major Vendor Items and parts as identified in the Accessory/QEC inventory).	
EGT Margin noted: 62 degrees C - @7B26/3 Thrust, Test Cell.	
Environmental Ops: China - NO, India - NO, ME - NO	

Limiting Part Information			
Power Rating	Limiting Part	Cycles Remaining	
7B20/3	Multiple	14,904	
7B24/3	Multiple	14,904	
7B26/3	Multiple	14,904	
7B27/3	Multiple	14,904	
Limiting Inspection Information			
Type	Description	Limit	Remaining
Rec'd Limit	N/A	N/A	N/A
Date Limit	2019-09-18	17,000	11,904
Engine Preservation	Engine Preservation	25 Jun 20	301
Last Shop Visit Information			
Time since last HSV	Hours	Cycles	
Last Repair Agency	0.00	0	
Last SSV Workscope	KLM Amsterdam		
Last Lease Inspection	Post-Lease Inspection		
Airworthiness Release	29-Aug-19	EASA Form 1 Dual Release	

ESN: 894902

General Engine Info		
Model and type of engine	CFM56-7B27/3	
Current power rating of engine	7B26/3	
EGT Margin of engine deg. C	62	
EGT Margin value date	3-May-17	
Current Location	In storage - KLM	
Engine at date:	29-Aug-2019	
Current TSN of engine:	14,386.37	
Current CSN of engine:	5,096	
Last installation/Shop input:	29-Aug-19	
TSN of last installation / shop input:	14,386.37	
CSN of last installation / shop input:	5,096	
Non Limited Parts Information		
Name	Part Number	Serial Number
Shipping Stand/Cradle	AM-263-800	799
Shipping Stand/Base	AM-263-200	1216

Aircraft Information	
Aircraft registration:	N/A
Position:	N/A
Current TSN of Aircraft:	N/A
TSN of Aircraft at last installation:	N/A
CSN of Aircraft at last installation:	N/A
Engine Status	In Storage
Engine Comments:	
GEC Kit PM; NPN S/N: NSN, last Major Vendor items and parts as identified in the Accessory/DEC inventory.	
EGT Margin noted: 62 degrees C - @78263 Thrust, Test Cell.	
Environmental Ops: China - NO, India - NO, ME - NO	

Limiting Part Information		
Power Rating	Limiting Part	Cycles Remaining
7B20/3	Multiple	14,904
7B24/3	Multiple	14,904
7B26/3	Multiple	14,904
7B27/3	Multiple	14,904

Limiting Inspection Information			
Type	Description	Limit	Remaining
Hour Limit	N/A	N/A	N/A
Cycle Limit	2019-0018	17,000	11,904
Last Shop Visit Information	Engine Preservation		
Time since last SV	0.00 Hours	Hours	Cycles
Last repair Agency	KLM Amsterdam	0	0
Last SV Workscope	Post Lease Inspection	25 Jun 20	301
Unworthiness Release	29-Aug-19	EASA Form 1 Dual Release	

Execution Version

Virgin Australia Airlines Engine Sublease Agreement (ESN 894902)

VB LeaseCo Pty Limited
Sublessor

Virgin Australia Airlines Pty Limited
Sublessee

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Our ref 741/80190524

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Virgin Australia Airlines Engine Sublease Agreement

Date	13 September	2019
Parties	VB LeaseCo Pty Limited ABN 29 134 268 741 of 56 Edmondstone Road, Bowen Hills QLD 4006 (Sublessor)	
	Virgin Australia Airlines Pty Limited ABN 36 090 670 965 of 56 Edmondstone Road, Bowen Hills QLD 4006 (Sublessee)	

Background

The parties agree as set out in the Operating part of this agreement, in consideration of, among other things the mutual promises in this agreement.

Operative provisions

1. Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this agreement are set out below:

Aircraft Engine Lease Agreement means the lease agreement in connection with the Engine entered into pursuant to Exhibit A to the GTA which incorporates the terms and conditions of the GTA.

Approved Maintenance Program has the meaning given in the GTA.

Aviation Authority has the meaning given in the GTA.

Business Day means:

- (a) for the purposes of clause 12.4, a day on which banks are open for business in the city where the notice or other communication is received excluding a Saturday, Sunday or public holiday; and
- (b) for all other purposes, a day on which banks are open for business in Brisbane and Sydney excluding a Saturday, Sunday or public holiday.

Certificate of Acceptance means a certificate substantially in the form of Schedule 2.

Controller means in, relation to a corporation or the property of a corporation, a receiver, receiver and manager, trustee, inspector or similar officer is appointed in relation to the corporation or any of its assets.

Engine means the engine more particularly described in Schedule 1 as Engine 894902, and including:

- (a) any other equipment (including QEC) relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;

- (b) the Engine Stand relating to such engine (if any), as identified in the Aircraft Engine Lease Agreement relating to such engine;
- (c) any and all parts incorporated or installed in or on such Engine and all parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the terms of the GTA; and
- (d) all records relating to such Engine,

provided that if the context in which the term "Engine" appears does not permit the inclusion of the Engine Stand and/or the records as part of the Engine, then the Engine Stand and/or the records (as applicable) shall not be deemed to be part of the Engine in that particular context.

Engine Stand has the meaning given in the GTA.

Event of Default and **Default** have the meaning given in the GTA.

GTA means the "General Terms Engine Lease Agreement" entered into between the Lessor as "Lessor" and the Sublessor as "Lessee" dated on or about 24 May 2019, as further amended from time to time.

Government Entity has the meaning given in the GTA.

Head Lease means the Aircraft Engine Lease Agreement between the Lessor and the Sublessor in relation to the Engine.

Host Aircraft means the aircraft on which the Engine is installed.

Indemnitee means any person who is indemnified pursuant to the terms of the Head Lease and includes the Tax Indemnitee.

Insurance each insurance required to be effected under clause 14 of the GTA (as incorporated into this agreement by clause 5.4).

Lease Default means a Lease Event of Default or a Potential Lease Event of Default.

Lease Event of Default means any event specified in Schedule 4.

Lease Term has the meaning given in the Aircraft Engine Lease Agreement for the Engine.

Lease Termination Date means the last day of the Lease Term for the Engine.

Lessor means Wells Fargo Trust Company NA.

Material Adverse Effect means a material adverse effect on the Sublessee's ability to perform any of its obligations under any Sublease Document.

Officer in relation to a party to this agreement, a director or a secretary, or a person notified to be an authorised officer, of that party.

Owner Trustee has the meaning given in the GTA.

Permitted Lien has the meaning given in the GTA.

Potential Lease Event of Default means an event which with the giving of notice, lapse of time or fulfilment of any condition, would likely become a Lease Event of Default.

Power means any right, power, authority, discretion or remedy conferred on the Sublessor by the Sublease Documents or any applicable law.

PPSA means the Personal Property Securities Act 2009 (Cth).

Return Condition means the condition described in the return conditions applicable to the Engine as described in the Aircraft Engine Lease Agreement.

Redelivery Location means the place nominated by the Lessor pursuant to clause 18.3(f) of the GTA.

Relevant Currency means the currency in which a payment is required to be made under the Sublease Documents.

Rent means the rent and maintenance reserves payable under clause 3.

Same Day Funds means immediately available and freely transferable funds.

Scheduled Termination Date means the day before the Lease Termination Date.

Security Interest has the meaning given to the term "Lien" in the GTA and includes the definition given to the term "security interest" in the PPSA.

Sublease means the lease of the Engine under and on the terms of this agreement.

Sublease Delivery means the transfer of possession of the Engine to the Sublessee under this Sublease.

Sublease Delivery Date means the date on which Sublease Delivery shall occur, which shall be a Business Day.

Sublease Documents means this agreement.

Sublessor's Security Interest means any Security Interest given by Sublessor over or in respect of the Engine and any Security Interest arising on or relating to or affecting the Engine or any part thereof arising as a result of:

- (a) acts or claims against Sublessor not related to or which do not arise directly or indirectly as a result of the transactions contemplated by or permitted under this agreement and the other Sublease Documents; or
- (b) Taxes for which the Sublessor is responsible and for which Sublessor is not indemnified by Sublessee under the Sublease Documents.

Taxes has the meaning given in the GTA.

Tax Indemnitee has the meaning given in the GTA.

Term means the period commencing on the Sublease Delivery Date and ending on the Termination Date.

Termination Date means the Scheduled Terminated Date or if earlier, the date on which the Lease is terminated under this agreement.

Total Loss has the meaning given in the GTA.

Total Loss Date means the date on which a Total Loss with respect to the Engine shall be deemed to have occurred as described in the definition of "Total Loss" in the GTA.

Total Loss Proceeds has the meaning given in the GTA.

1.2 Interpretation

In this agreement, headings and bold type are for convenience only and do not affect the interpretation of this agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Entity;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to, this agreement and a reference to this agreement includes any attachment, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Entity with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including, but not limited to, a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (o) a covenant or agreement on the part of two or more persons binds them jointly and severally;

- (p) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
- (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (q) references to time are to Brisbane time.

1.3 Inclusive expressions

Specifying anything in this agreement after the words "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Exclusion of implied covenants and terms

- (a) Any terms, rights, powers or remedies which may be implied in this agreement by virtue of or under any law for the time being in force in any State or Territory of Australia or any other place where the Engine may be located at any time during the Term do not apply to, and are not implied in, this agreement except:
- (i) insofar as the same or some part or parts of those terms and Powers are included in the express terms of this agreement; and
 - (ii) insofar as those terms, rights, powers or remedies are not capable of being excluded under any such law.
- (b) The Sublessee hereby expressly agrees and acknowledges that:
- (i) in deciding to enter into this agreement the Sublessee has not relied in any way on the Sublessor's skill or judgment, and that there has not been made, any warranty or representation by or on behalf of the Sublessor, express or implied, with respect to the Engine or the Sublessor's rights to or in respect of the Engine and that the Sublessee has satisfied itself as to title to and the condition and suitability of the Engine and its fitness for the Sublessee's purposes;
 - (ii) the Sublessor has not made any representation, warranty or undertaking about the condition or availability of the Engine, its quality, fitness for purpose or safety;
 - (iii) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties, express or implied, whether arising by virtue of statute or otherwise, as to the condition, suitability, quality, fitness or safety of the Engine is hereby expressly waived, negated and excluded, and the Sublessor does not give any condition or warranty in relation to the Engine;
 - (iv) in the event that this agreement constitutes a supply of goods or services to a consumer as defined in Schedule 2 (Australian Consumer Law) (**ACL**) of the Competition and Consumer Act 2010 (Cth) (**Act**), nothing contained in this agreement excludes, restricts or modifies in relation to this agreement and the goods or services to be supplied hereunder which constitutes a supply of goods or services to a consumer, any condition, warranty, right or remedy which pursuant to the Act applies to this agreement or is conferred on the Sublessee, provided that to the

extent the Act permits the Sublessor to limit its liability for a breach of a condition or warranty implied by the Act, then the Sublessor's liability for such breach including any consequential loss which the Sublessee may sustain or incur shall be limited to:

- A. in the case of goods deemed under the Act to be supplied to a consumer hereunder any one or more of the following:
 - 1) replacement of such goods, or the supply of equivalent goods, or payment of the cost of replacing such goods or acquiring equivalent goods; or
 - 2) the repair of such goods or payment of the cost of having such goods repaired; and
- B. in the case of services deemed under the Act to be supplied to a consumer hereunder:
 - 1) the supplying of such services again; or
 - 2) the payment of the cost of having such services supplied again as the case may require;
- (v) subject to clause 1.4(b)(iv), to the maximum extent permitted by law, all conditions and warranties which would or might otherwise be implied in this agreement are hereby waived, excluded and negated; and
- (vi) this clause 1.4(b) has been brought to Sublessee's attention.
- (c) The Sublessor may not be able to rely on this clause 1.4 if it is not fair and reasonable to do so under section 68A(2) and (3) of the ACL.

1.5 Subject and subordinate

Each of the Sublessor and the Sublessee agree that, if an Event of Default has occurred and is continuing, this Sublease and all rights of the Sublessee under this Sublease are at all times expressly subject and subordinate to the provisions of the relevant Head Lease and the rights, title and interests of the Owner Trustee and any relevant owner/mortgagee in and to the Engine.

1.6 GTA

The Sublessee acknowledges that it has received from the Sublessor extracts of the GTA and the Aircraft Engine Lease Agreement setting out the provisions of the GTA and the Aircraft Engine Lease Agreement (and all associated definitions) incorporated or referred to in this agreement, including by the operation of clause 5.4.

2. Leasing procedures

2.1 Conditions precedent

- (a) Subject to receipt by the Sublessor of the conditions precedent set out in Schedule 3 in form and substance satisfactory to it, the Sublessor agrees to lease the Engine to the Sublessee on the terms of the Sublease Documents.
- (b) The conditions in this clause 2.1 are for the benefit only of the Sublessor.

2.2 Lease

Subject to this agreement, the Sublessee has agreed to lease the Engine from the Sublessor under this agreement.

2.3 Commencement of leasing

The Sublease commences on the Sublease Delivery Date and, unless terminated earlier in accordance with this agreement continues until the last day of the Term.

2.4 Sublease Delivery

- (a) The Sublessee or its duly authorised representative must execute and deliver to the Sublessor a Certificate of Acceptance immediately upon Sublease Delivery.
- (b) As between the Sublessor and the Sublessee, the execution and delivery of the Certificate of Acceptance by the Sublessee or its duly authorised representative evidences and constitutes irrevocable, final and conclusive acceptance of the Engine by the Sublessee for all purposes of this agreement.

3. Rent

- (a) The Sublessee agrees to pay the Sublessor rent and maintenance reserves (if applicable) for the Engine at such times and in such amounts as are provided for in the Aircraft Engine Lease Agreement and any maintenance reserves (if applicable) shall be dealt with and applied in accordance with the Aircraft Engine Lease Agreement.
- (b) Rent must be paid by the Sublessee to an account of the Sublessor notified by the Sublessor to the Sublessee.

4. Payments

4.1 Payments

All payments by the Sublessee to the Sublessor under this agreement must be made:

- (a) in Same Day Funds;
- (b) in the Relevant Currency;
- (c) not later than 11.00 am (Brisbane time) on the due date; and
- (d) to the Sublessor's account as specified by notice to the Sublessee.

4.2 Amounts payable on demand

If any amount payable by the Sublessee under this agreement is not expressed to be payable on a specified date, that amount is payable by the Sublessee on demand by the Sublessor.

4.3 Payments in gross

All payments which the Sublessee is required to make under this agreement must be:

- (a) without any set-off, counterclaim or condition; and
- (b) without any deduction or withholding for any Taxes or any other reason, unless the Sublessee is required to make a deduction or withholding by applicable law.

4.4 Taxation deduction procedures

If the Sublessee is required to make a deduction or withholding of Taxes from any payment to be made to the Sublessor under this agreement, then:

- (a) the Sublessee must pay the amount deducted or withheld to the appropriate Government Entity as required by applicable law; and
- (b) the Sublessee must use its best endeavours to obtain official receipts or other documentation from that Government Entity and must deliver them to the Sublessor within 2 Business Days after receipt.

5. Representations, warranties and undertakings of the Sublessee

5.1 Representations and warranties

The Sublessee represents and warrants to and for the benefit of the Sublessor that:

- (a) **(registration)** it is a corporation registered (or taken to be registered) and validly existing in the jurisdiction of its incorporation;
- (b) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (c) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (d) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (e) **(binding obligations)** this agreement constitute its legal, valid and binding obligations and, subject to any necessary stamping and registration, are enforceable in accordance with their terms subject to laws generally affecting creditors' rights and to principles of equity;
- (f) **(transaction permitted)** the execution, delivery and performance by it of this agreement will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation binding on it or its assets;
 - (ii) its constitution; or
 - (iii) any Security Interest or agreement which is binding on it;
- (g) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (h) **(solvency)** it is not insolvent or unable to pay its debts as and when they become due and payable;
- (i) **(litigation)** no litigation, arbitration or administrative proceeding is taking place or, to the best of its knowledge, pending or threatened against it which could, if adversely determined, have a Material Adverse Effect;
- (j) **(no Lease Event of Default)** no Lease Event of Default is continuing and, to its knowledge, no material Potential Lease Event of Default is continuing; and

- (k) **(immunity)** in any proceedings taken in Queensland or Australia in relation to any of the Sublease Documents, will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

5.2 Survival and repetition of representations and warranties

The representations and warranties given under this agreement:

- (a) survive the execution of this agreement; and
- (b) other than the representations and warranties in clauses 5.1(e) and 5.1(k), are repeated on each date on which Rent is due and payable with respect to the facts and circumstances then existing.

5.3 Duration of undertakings

The Sublessee shall perform and comply with its undertakings and covenants in this agreement at all times during the Term. All such undertakings and covenants shall, except where expressly otherwise stated, be performed at the expense of the Sublessee.

5.4 Engine undertakings

The Sublessee must comply with, and where applicable, the Sublessee may do the things permitted by, and must not do the things prohibited by, the following provisions of the GTA:

- (a) clause 5 (Compliance with Laws);
- (b) clause 6 (Use and Maintenance);
- (c) clause 7 (Records);
- (d) clause 8 (Modification);
- (e) clause 13 (Inspection);
- (f) clause 11 (General Undertakings);
- (g) clause 14 (Insurance);
- (h) clause 15 (Title to Equipment);
- (i) clause 17 (Subleases; Assignment); and
- (j) clause 18 (Return of Equipment),

in each case as they apply to the Engine or a Host Aircraft, or as the case may be, or the parts included in the Engine as if those provisions and associated definitions in the GTA were set out in this Sublease in full but as if references in those provisions and associated definitions to:

- (i) 'Delivery' were references to Sublease Delivery;
- (ii) 'Indemnitee' included the Sublessor;
- (iii) 'Lease Term' were references to the Term;
- (iv) 'Lessee' were references to the Sublessee;
- (v) 'Lessor' were references to the Sublessor;

- (vi) 'redelivery or return' were references to redelivery of the Aircraft in accordance with clause 9;
- (vii) 'Event of Default' included a Lease Event of Default; and
- (viii) 'this GTA' and 'this Aircraft Engine Lease Agreement' were references to this Sublease,

provided that Sublessor and Sublessee may agree from time to time that Sublessor instead of Sublessee shall be responsible for any insurance, maintenance or repairs, in which event Sublessor shall be responsible for and shall carry out these matters.

5.5 Outgoings, maintenance costs

As between the Sublessor and the Sublessee:

- (a) costs, expenses, charges and other outgoings related to the use and operation of the Engine (including repairs, maintenance storage, transport, housing and servicing);
- (b) licence and registration fees and other amounts of any nature imposed by any Government Entity with respect to the Engine, including the ownership (but only to the extent relating to or arising as a result of the leasing, possession, operation, use or maintenance of the Engine), delivery, leasing, possession, use, operation or return of the Engine;
- (c) rent, fees, charges and other amounts in respect of any premises where the Engine is located from time to time; and
- (d) premiums and other costs and expenses in relation to the Insurances, to the extent relating to the Engine,

shall be paid by Sublessor and/or Sublessee, as the case may be, in accordance with the Aircraft Engine Lease Agreement.

5.6 Inspection

- (a) Sublessee shall at all times during the Term permit any persons (each an **Inspecting Party**) designated by Sublessor in writing upon reasonable prior notice to undertake an external visual inspection of the Engine (without any disassembly), its condition, use, and operation and also inspect and make copies of (where practicably possible) the relevant Approved Maintenance Programme, the AMM, the flight manual, the manuals and mechanical records relating to the Engine, and all other records maintained in connection with the Engine. Sublessee shall also permit any persons designated by Sublessor in writing and/or its authorised agents and representatives to visit and inspect the maintenance and operational facilities effecting the maintenance and operation of any Engine, at such times and as often as Sublessor may reasonably request. All such inspections in respect of the Engine shall (including if such inspection occurs during an engine shop visit for the Engine) take place at such times and in such manner as will comply with Sublessee's occupational health and safety and security requirements and provided that:
 - (i) if no Event of Default or Lease Default has occurred and is continuing at such time, Sublessor shall provide reasonable notice of such inspections, shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations and shall only be entitled to request one (1) such inspection in respect of the Engine per calendar year;

- (ii) if an Event of Default is continuing at such time, or if a Lease Default which is not a Lease Event of Default is continuing at such time, Sublessor shall provide reasonable notice of such inspections and shall not carry out such inspections so as to disrupt unreasonably Sublessee's commercial operations; or
 - (iii) if an Event of Default or a Lease Event of Default has occurred and is continuing at such time, Sublessor shall be entitled to inspect at any time on reasonable notice.
- (b) Each such inspection shall be at the sole risk of each Inspecting Party. Any such inspection shall be at no cost to Sublessee unless a Lease Default has occurred and is continuing (or such inspection is being carried out so as to establish that events which gave rise to the occurrence of a Lease Default previously have been remedied to the satisfaction of Sublessor), in which case Sublessee shall reimburse Sublessor for all costs and expenses reasonably incurred in conducting any such inspection in excess of one per calendar year. Neither Sublessor nor any person designated by Sublessor as provided above shall have any duty to make any such inspection and neither Sublessor nor any person designated by Sublessor as provided above shall incur any liability or obligation by reason of making or not making such inspection.

5.7 PPSA

- (a) The Sublessor and Sublessee each agree to do anything (including obtaining consents, signing and producing documents, procuring that documents are completed and signed and supplying information) within its reasonable control and which the Sublessor or the Lessor requests and reasonably considers necessary for the purposes of:
 - (i) ensuring that any Security Interest in relation to the Engine or this agreement is enforceable, perfected and otherwise effective; or
 - (ii) enabling the Lessor to apply for any registration, complete any financing statement or give any notification, in connection with any Security Interest; or
 - (iii) enabling the Lessor to exercise rights in connection with any Security Interest.
- (b) The Sublessor and Sublessee each agrees to cause any financing statements required of it pursuant to this clause 5.7 to be registered at such times as reasonably directed by the Lessor.
- (c) Neither the Lessor nor the Sublessor need give any notice under the PPSA (including a notice of verification statement) unless the notice is required by the PPSA and the requirement to give it cannot be excluded or has not been excluded by this clause 5.7.
- (d) The Sublessor and Sublessee are not required to, and must not without the other party's consent, disclose any information of the kind referred to in section 275(4) of the PPSA unless section 275(7) of the PPSA applies.
- (e) The Sublessee agrees with the Sublessor:
 - (i) that it will not change its name without first giving 14 days prior notice in writing to the Sublessor; and
 - (ii) that it will promptly do anything which the Sublessor or the Lessor may reasonably request to enable the Sublessor or the Lessor to perfect and

maintain perfection of any Security Interest intended to be created by this agreement including providing serial numbers and other details of the Engine required by the Sublessor to register a financing statement in respect of the Engine; and

- (iii) that it waives the right to receive a verification statement under section 148 of the PPSA in respect of any financing statement or any financing change statement registered by the Sublessor in respect of the Engine.
- (f) The terms financing statement, financing change statement, security interest and verification statement which are used in this clause shall have the respective meanings specified in the PPSA.
- (g) Neither the Sublessor nor the Sublessee may do anything which would otherwise be required to be done under this clause 5.7 if to do so would prejudice any security interest of the Lessor which relates to the Engine

6. Loss and Damage

- (a) If a Total Loss occurs prior to delivery of the Engine to the Sublessee, this agreement shall immediately terminate, and except as expressly stated in this agreement neither party will have any further obligation or liability under this agreement
- (b) If a Total Loss occurs after Sublease Delivery, the Sublessee shall on or prior to the earlier of:
 - (i) 30 days after the Total Loss Date; and
 - (ii) the date of receipt of insurance proceeds in respect of that Total Loss,
 pay to the Sublessor all Rent and all other moneys due and payable by the Sublessee under the Sublease Documents but unpaid.
- (c) If a Total Loss of the Engine occurs during the Term, Rent shall cease to be payable in respect of the period after the date on which the amounts described in clause 6(a) are paid in full and on payment of those amounts, this Sublease shall immediately terminate, but without prejudice to the vested or continuing obligations of the Sublessee (as to payment, indemnity or otherwise) under the Sublease Documents and the Sublessor and the Sublessee shall proceed diligently and cooperate fully with each other in the recovery of the Total Loss Proceeds. The parties acknowledge and agree that, as between Sublessor and Sublessee, Sublessor is entitled to, and may retain, all Total Loss Proceeds.

7. Default Termination

7.1 Sublessor's rights upon default

- (a) If a Lease Event of Default has occurred and is continuing the Sublessor at its option may demand that the Sublessee pay to the Sublessor on the date specified in the demand all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) If a Lease Event of Default has occurred and is continuing, the Sublessor shall be entitled (in addition to making any demand under clause 7.1(a)) to:
 - (i) proceed by appropriate court action or actions to enforce performance by the Sublessee of the applicable covenants and terms of this agreement or to recover damages for the breach thereof; or

- (ii) by notice in writing to the Sublessee, terminate this Sublease. Upon such notice to the Sublessee:
 - A. actual or contingent rights of the Sublessee to or in the use of the Engine terminate, but the Sublessee remains liable as provided in this clause 7;
 - B. the Sublessee must pay to the Sublessor and the Sublessor may recover from the Sublessee, any and all damages and expenses which the Sublessor sustains by reason of the occurrence of any such Lease Event of Default or termination, together with the amount of legal fees and such expenses as shall be expended or incurred by the Sublessor in the seizure, storage or rental of the Engine or in the enforcement of any right or privilege hereunder or in any consultation advice or action in connection therewith; and
 - C. the Sublessor may directly or by its agents or contractors take possession of the Engine and for such purpose may enter any premises on which the Engine is located.

7.2 Rights upon termination

If the Sublessor terminates this agreement pursuant to clause 7.1 the Sublessor is entitled to retain all Rent and other moneys previously paid by the Sublessee to the Sublessor under this agreement.

7.3 Exercise of powers

No person dealing with the Sublessor in connection with the exercise by the Sublessor of any Power:

- (a) is bound to enquire whether any Lease Event of Default or Potential Lease Event of Default has occurred or otherwise as to the propriety or regularity of the exercise of such Power; or
- (b) is affected by notice express or otherwise that any such exercise is unnecessary or improper,

and notwithstanding any irregularity or impropriety therein such exercise is, as regards the protection of such person, deemed authorised and is valid and effectual accordingly.

7.4 Remedies cumulative

- (a) The Powers in this clause 7 in favour of the Sublessor are:
 - (i) not exclusive; and
 - (ii) are cumulative and are in addition to all other remedies in its favour existing at law, in equity or in bankruptcy.
- (b) The election at any time to enforce any such Power in no way bars the later enforcement from time to time of any such Power or any other remedies.

7.5 Repudiation of this agreement

It is expressly agreed that the non-occurrence of a Lease Event of Default is an essential and fundamental term of this agreement and the occurrence of such an event will amount to a repudiation by the Sublessee of this agreement. Should the Sublessor terminate this agreement following any such breach, non-observance or non-performance then, without

prejudice to any other right or remedy of the Sublessor contained or implied in this agreement, it is expressly agreed that the Sublessor is entitled to recover from the Sublessee damages for such breach and for the loss of its bargain in addition to the sums referred to in clause 7.1(a).

8. Other termination

8.1 Scheduled termination

- (a) Provided that this Sublease has not otherwise terminated, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the Scheduled Termination Date, pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.
- (b) Upon payment of the relevant amounts referred to in clause 8.1(a), this Sublease terminates.

8.2 Payment on termination of Head Lease

- (a) In the event that the Head Lease is terminated prior to the Scheduled Termination Date, this Sublease terminates.
- (b) Provided that this Sublease has not otherwise terminated under clause 7.1 or clause 8.1, and no Lease Event of Default has occurred and is continuing, the Sublessee shall, on the date of termination of this Sublease under clause 9(a), pay to the Sublessor all Rent and other moneys owing by the Sublessee to the Sublessor under this agreement as at that date.

9. Redelivery

- (a) On the Termination Date (except where a Total Loss has occurred), Sublessee shall redeliver the Engine to Sublessor at the place, and in the condition, specified in the Aircraft Engine Lease Agreement or, if the Termination Date is the Lease Termination Date, at the relevant Redelivery Location in the Redelivery Condition applicable to the Engine.
- (b) Unless otherwise agreed between the Sublessor and the Sublessee:
 - (i) all costs and expenses of such compliance shall be borne by Sublessee; and
 - (ii) if any of the foregoing requirements of this clause 9 are not satisfied at the time of redelivery of the Engine, Sublessee must promptly remedy any deficiency.

10. General indemnity

10.1 General Indemnity

Sublessee agrees at all times, and whether or not the Engine, any part or any of the manuals and technical records are in the possession of Sublessee at such time, to assume full liability for and to indemnify and hold harmless Sublessor on a full indemnity basis, and on demand, from and against all expenses suffered or incurred by, imposed on or asserted against Sublessor relating to or arising directly or indirectly in any manner or for any cause or reason whatsoever out of:

- (a) the Engine, any part or any of the manuals and technical records; or

- (b) the capacity, age, airworthiness, durability, description, specific configuration, design, manufacture, workmanship, materials, construction, inspection, testing, delivery, acceptance, import (including the import of the Engine into Australia), export (including the export of the Engine from Australia at the end of the Term), ownership, registration, deregistration, possession, repossession, control, use or non-use, location, operation, transportation, presence, purchase, leasing, sub-leasing, chartering, insurance, maintenance, repair, refurbishment, condition, replacement, existence, preparation, installation, performance, fitness or satisfactoriness for any particular use or purpose, service, overhaul, modification, change, alteration, substitution, destruction, mechanical failure, loss, damage, removal, storage, re-lease, sale, other disposition, return, transfer, abandonment or re-delivery of or on (as applicable) the Engine, any part or any manuals and technical records; or
- (c) any loss, destruction or damage to any property, any death or injury to any person or any other loss of whatsoever nature suffered by any person to the extent caused by, relating to or arising out of (in each case whether directly or indirectly) any of the matters referred to in clause 10.1(a) or clause 10.1(b) above; or
- (d) the imposition of any Security Interest (other than a Sublessor's Security Interest) on the Engine, any part or any of the manuals and technical records or the incurrence of any liability to refund or pay over any amount as the result of any such Security Interest (other than a Sublessor's Security Interest); or
- (e) any latent or other defects or deficiencies in the Engine or any part, whether or not discoverable, known or unknown, apparent or concealed, exterior or interior; or
- (f) any design, article, component or material in the Engine or any part or the operation or use thereof constituting an infringement of any patent, trademark, copyright or other intellectual property right or any other right whatsoever; or
- (g) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Engine, or in securing the release of the Engine or in connection with and following a Total Loss of the Engine; or
- (h)
 - (i) any default in payment by Sublessee of any sum payable by Sublessee under this agreement or any other Sublease Document when due or any other default by Sublessee in the due and punctual performance of its obligations under this agreement or any other Sublease Document;
 - (ii) any action or work undertaken by, or at the behest of, Sublessor in establishing that such a default has occurred (but only if that action or work results in a default being substantiated); or
 - (iii) any exercise by Sublessor of its rights and remedies under the Sublease Documents or under applicable law, or any action taken by Sublessor to preserve such rights and remedies, following any such breach or default or any Rent or other amount payable by Sublessee under the Sublease Documents being paid or payable other than on its due date; or
- (i) the enforcement of this clause 10 and/or any other indemnity provided by Sublessee for the benefit of Sublessor pursuant to the Sublease Documents; or
- (j) after Sublease Delivery, all expenses suffered or incurred by, imposed on or asserted against Sublessor with respect to the Engine which arise out of or are attributable to any of the events or circumstances described in clause 10.1(a) to 10.1(i) above which occur prior to Sublease Delivery.

10.2 Exceptions to General Indemnity

The general indemnity provided for in clause 10.1 will not extend to any of the following expenses of Sublessor to the extent that such expenses are:

- (a) suffered or incurred as a consequence of the fraud, gross negligence, or wilful misconduct of Sublessor; or
- (b) attributable to the Sublessor's Security Interest; or
- (c) amounts payable by Sublessor to an Indemnitee under the GTA unless Sublessee has expressly agreed to be responsible for any or all such expenses elsewhere in this agreement or any other Sublease Document; or
- (d) caused by any breach by Sublessor of any express provisions of, or the default of Sublessor in its performance of any of its express obligations under, this agreement or any other Sublease Document unless such breach or default occurred as a result of a breach by Sublessee of any of its obligations under the Sublease Documents; or
- (e) caused by any representation or warranty made or deemed to be made by Sublessor under any of the Sublease Documents being materially incorrect at the date when made or deemed to be made; or
- (f) expenses which relate to the Engine which are attributable to any actions of Sublessor or any other events which, in either case, occur after the end of the Term, except to the extent those expenses are attributable to any acts, events or circumstances (not excluded by another paragraph of this clause 10.2 occurring prior to the end of the Term); or
- (g) expenses which Sublessor has expressly agreed to be responsible for under the terms of this agreement or any other Sublease Document; or
- (h) expenses attributable to any storage, re-lease, sale or other disposal of the Engine by Sublessor, unless such storage, re-lease, sale or disposal has resulted from, been caused by or occurs after the occurrence of an Event of Default or Sublessee has expressly agreed to be responsible for any or all such expenses; or
- (i) expenses which constitute ordinary and usual administrative or overhead expenses of Sublessor, except to the extent that the same arise as a result of or in connection with or following the occurrence of an Event of Default or are made expressly the responsibility of Sublessee under the provisions of this agreement or any other Sublease Document; or
- (j) covered by another indemnity provision contained in this agreement or any other Sublease Document and Sublessee has paid such expenses in full pursuant to such other provision; or
- (k) a consequence of, or are greater as a consequence of, the assignment, transfer, disposal or grant of a Security Interest by Sublessor in respect of its interest in the Engine or the Sublease Documents unless such assignment, transfer, disposal or grant of a Security Interest is expressly contemplated by this agreement or another Sublease Document or is in connection with an exercise of remedies following an Event of Default which is continuing; or
- (l) a loss in value of the Engine (except where the loss in value is attributable to a breach by the Sublessee of any Sublease Document and is a loss in respect of which the Sublessor is not entitled to an indemnity or liquidated damages payment under any other provision of a Sublease Document).

10.3 Continuation of Indemnities

The indemnities by Sublessee in favour of Sublessor contained in this clause 10 or any other provision of the Sublease Documents shall continue in full force and effect notwithstanding the termination or expiry of the leasing of the Engine to Sublessee or the termination or expiry of any Sublease Document.

10.4 Primary Obligation

Sublessee shall be obliged to make all payments due from it under this clause 10 and under any other indemnity provided by Sublessee pursuant to the Sublease Documents irrespective of whether Sublessor shall also be indemnified, guaranteed or insured with respect to any such matter by any other person, and Sublessor shall be entitled to proceed directly against Sublessee under this clause 10 or under any other indemnity provided by Sublessee pursuant to the Sublease Documents without first resorting to its rights under such other indemnity, guarantee or insurance.

10.5 Sublessee's Assistance

Sublessee shall provide Sublessor with such information which is in the possession or control of Sublessee, or is otherwise reasonably available to Sublessee, as Sublessor may reasonably request and Sublessee shall otherwise cooperate with Sublessor so as to enable Sublessor to defend any action, suit or proceeding brought against Sublessor in respect of any expense for which Sublessee is responsible under this clause 10, provided that nothing contained in this clause 10 shall be deemed to require Sublessor to contest any expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

11. General

11.1 Without prejudice acceptance of Rent

Acceptance of any payment of Rent by the Sublessor is without prejudice to the exercise by the Sublessor of the rights, powers and remedies conferred upon it under this agreement or any other Power of the Sublessor under this agreement and does not operate as an election by the Sublessor either to exercise or not to exercise any of such rights powers or privileges.

11.2 Non-payment by Sublessee

- (a) If the Sublessee omits or neglects to pay any money or to do or effect anything which the Sublessee has covenanted to pay, do or effect under this agreement and notice of that omission or neglect has been duly given to the Sublessee, then on each and every such occasion the Sublessor may, but is not obligated to, and without prejudice to any other Powers arising from such default, pay money or do or effect such thing by it as if it were the Sublessee.
- (b) For the purpose of an act pursuant to clause 11.2(a) the Sublessor, as if it were the Sublessee and at the expense of the Sublessee, may enter upon any premises where the Engine is located and there remain for the purpose of doing or effecting any such thing.
- (c) The Sublessee must on demand reimburse the Sublessor for any amount paid by it under clause 11.2(a).

11.3 No partnership

- (a) Nothing contained in this agreement creates the relationship of partnership or of principal and agent or of joint venturers between the Sublessor and the Sublessee.

- (b) It is further understood and agreed that neither the method of computation of Rent nor any other provision contained herein nor any acts of the Sublessor and the Sublessee, is to be deemed to create any relationship between them other than the relationship of lessor and lessee upon the terms and conditions only as provided in this agreement.

11.4 Possession and quiet enjoyment

Subject to:

- (a) the Sublessee paying the Rent and duly and punctually observing and performing its covenants, obligations and provisions under this agreement;
- (b) the rights of the Lessor under the Head Lease; and
- (c) the term of this agreement,

the Sublessee may peaceably possess and enjoy the Engine during the Term without any interruption or disturbance from the Sublessor or any other person or persons lawfully claiming by, from or under the Sublessor.

11.5 Title

Save for any right or interest provided for in this agreement or by operation of law, the Sublessee has no interest in the Engine other than as bailee.

11.6 Reinstatement of Rights

- (a) Under law relating to liquidation, administration, insolvency or the protection of creditors, a person may claim that a transaction (including a payment) in connection with the Rent is void or voidable. If a claim is made and upheld, conceded or compromised, then the Sublessor is immediately entitled as against the Sublessee to the rights in respect of the Rent to which it was entitled immediately before the transaction.
- (b) The Sublessee's obligations under this clause are continuing obligations, independent of the Sublessee's other obligations under this agreement and continue after this agreement end.

12. Miscellaneous

12.1 No derogation

Any rights or remedies given to a party in this agreement are additional to and not in derogation of any other rights or remedies of that party conferred or implied by law.

12.2 Binding effect

This agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.

12.3 Assignment

- (a) The Sublessee may not assign, transfer, grant an Security Interest over or otherwise deal with its rights or obligations or interests under this agreement except with the prior consent of the Sublessor.
- (b) The Sublessor may assign, transfer, grant an Security Interest over or otherwise deal with its rights under this agreement.

- (c) If the Sublessor transfers or assigns any of its rights or obligations under this agreement, the Sublessee is not required to pay any net increase in the amount of costs, Taxes, fees or charges which are a consequence of the transfer or assignment.

12.4 Notices

- (a) Any notice or other communication including any request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English addressed as shown below:
- A. if to the Sublessor:
- Address: c/- Virgin Australia Airlines Pty Limited
Virgin Village
56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- B. if to the Sublessee:
- Address: 56 Edmondstone Road, Bowen Hills, Qld 4006,
Australia
Attention: Steven Fouracre, Group Treasurer
Email: steven.fouracre@virginaustralia.com
with a copy to:
treasury.operations@virginaustralia.com
- or as specified to the sender by any party by notice;
- (ii) where the sender is a company, must be signed by an Officer or under the common seal of the sender;
- (iii) is regarded as being given by the sender and received by the addressee:
- A. if by delivery in person, when delivered to the addressee;
- B. if by post, on delivery to the addressee; or
- C. if by email communication, on the electronic communication entering a system outside the control of the sender, or the first of those systems where the electronic communication enters successively 2 or more systems,,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day; and
- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 12.4(a)(iii) and informs the sender that it is not legible.

- (c) In this clause 12.4, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or any person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

12.5 Governing law and jurisdiction

- (a) This agreement is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Queensland.
- (c) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each party irrevocably waives any immunity in respect of its obligations under this agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.

12.6 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of this agreement, or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of this agreement, which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Unless application is mandatory by law, no statute, proclamation, order, regulation, ordinance or moratorium, present or future, applies to this agreement so as to abrogate, extinguish, impair, diminish, fetter, delay or otherwise prejudicially affect any Powers given to or accruing to any party or the covenants or provisions of this agreement or affects, prejudices or abridges any of the rights, remedies and powers of any party, statutory or otherwise.

12.7 No amendment

Other than as contemplated by this agreement, this agreement may not be amended or varied except in writing signed by the parties.

12.8 Waivers

- (a) Waiver of any right arising from a breach of this agreement or of any Power arising upon default under this agreement, or upon the occurrence of a Lease Event of Default must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
- (i) a right arising from a breach of this agreement, or the occurrence of a Lease Event of Default; or
 - (ii) a Power created or arising upon default under this agreement, or upon the occurrence of a Lease Event of Default,
 - (iii) does not result in a waiver of that right or Power.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a Power arising from a breach of this agreement or on a default under this agreement, or on

the occurrence of a Lease Event of Default as constituting a waiver of that right or Power.

- (d) A party may not rely on any conduct of another party as a defence to exercise of a Power by that other party.
- (e) No waiver by one party of a breach of any covenant, obligation or provision in this agreement operates as a waiver of another breach of the same or any covenant, obligation or provision in this agreement.
- (f) This clause may not itself be waived except by writing.

12.9 Counterparts

This agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument, and either of the parties may execute this agreement by signing any such counterpart.

12.10 Non-revocation

Each of the undermentioned attorneys respectively declares that the attorney has not received notice of revocation of the power of attorney under which the attorney has executed this agreement.

Schedule 1 - Engine

Engine Type	Manufacturer	Engine Model	Serial Number
CFM56-7B	CFM International	CFM56-7B26/3	894902

Schedule 2 - Form of Certificate of Acceptance

We refer to the Engine Sublease Agreement (**Sublease**) dated *[insert date]* relating to the engine described below between **VB LeaseCo Pty Limited (Sublessor)** and **Virgin Australia Airlines Pty Limited (Sublessee)**.

This acceptance certificate is executed by the Sublessor and the Sublessee to confirm that on the date of this acceptance certificate at *[insert location]* each of the following described engines (each an **Engine**) was delivered by the Sublessor to the Sublessee and was accepted by the Sublessee subject to the provisions of the Sublease Documents.

Manufacturer:	Model	MSN

The Sublease Documents are hereby confirmed by the parties hereto:

The terms used in this acceptance certificate will have the same meaning as in the Sublease.

The Sublessee hereby confirms that:

1. the Engine has been examined by an authorised representative of the Sublessee and that such examination shows that the Engine was plainly and distinctly marked with the manufacturer's serial number set forth above;
2. the Engine was duly accepted by the Sublessee for leasing under the Sublease Documents;
3. the Engine became subject to and governed by the provisions of the Sublease Documents;
4. the Sublessee became obliged to pay to the Sublessor the Rent provided for in the Sublease Documents;
5. the Engine is insured in accordance with the Sublease Documents; and
6. no Total Loss has occurred in respect of the Engine.

This acceptance certificate is intended to be delivered by the Sublessee to the Sublessor in [].

IN WITNESS WHEREOF, the Sublessor and the Sublessee have hereunto set their hands the day and year first above written.

Schedule 3 - Conditions precedent

1. An original of each Sublease Document, duly executed by all parties to it.
2. Satisfactory registrations and searches of the Personal Property Securities Register.
3. A copy of a copy of a power of attorney granted by the Sublessee, authorising execution of the Sublease Documents by the Sublessee.

Schedule 4 - Lease Events of Default


It is a Lease Event of Default, whether or not it is within the control of the Sublessee, if:

1. **(failure to pay)**: the Sublessee fails to pay any amount when due and payable by it under the Sublease Documents, and the Sublessee does not remedy the failure within 3 Business Days (in the case of a scheduled payment) or 5 Business Days (in the case of a non-scheduled payment) after receipt by the Sublessee of a notice from the Sublessor specifying the failure;
2. **(other failure)**: the Sublessee fails to perform any other undertaking or obligation of it under any Sublease Document and the Sublessee does not remedy the failure within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
3. **(misrepresentation)**: any representation or warranty or statement of the Sublessee under a Sublease Document is incorrect or misleading when made or repeated and the circumstances giving rise to that representation, warranty or statement being incorrect or misleading are not remedied within 15 days after receipt by the Sublessee of a notice from the Sublessor specifying the failure (or such longer period to which the Sublessor (acting reasonably) consents, having regard to the circumstances at the time including the operational requirements of the Sublessee);
4. **(cross default)**: any Indebtedness of the Sublessee in an amount in excess of \$25,000,000 (or its equivalent in another currency) is not paid when due (after taking into account any applicable grace period);
5. **(Security Interest)**: any Security Interest securing an amount exceeding \$25,000,000 (or its equivalent in another currency) is enforced against an asset of the Sublessee;
6. **(judgment)**: a judgment in an amount exceeding \$25,000,000 (or its equivalent in another currency) is obtained against the Sublessee and is not stayed, set aside or satisfied within 30 days;
7. **(execution)**: a distress, attachment, execution or other process of a Government Entity is issued against, levied or entered upon an asset of the Sublessee in an amount exceeding \$25,000,000 (or its equivalent in another currency) and is not set aside or satisfied within 30 days;
8. **(Controller)**: a Controller is appointed to the Sublessee or over an asset or assets of the Sublessee with an aggregate value exceeding \$25,000,000;
9. **(suspends payment)**: the Sublessee suspends payment of its debts generally;
10. **(insolvency)**: the Sublessee is, or under legislation is presumed or taken to be, insolvent (other than as a result of a failure to pay a debt or claim the subject of a good faith dispute in which event this Event of Default is only taken to have occurred if the dispute is not set aside or dismissed within 30 days of being commenced); or
11. **(arrangements)**: the Sublessee enters into or resolves to enter into composition, assignment or arrangement with any creditor of Sublessee, otherwise than for the purpose of a solvent amalgamation or reconstruction; or
12. **(ceasing business)**: the Sublessee ceases to carry on business; or
13. **(Insurances)**: the Sublessee does, or omits to do, anything which renders an Insurance ineffective.

Signed as an agreement.

Sublessor

Signed for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness

Sublessee

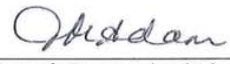
Signed for and on behalf of **Virgin Australia Airlines Pty Limited (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYBERRY

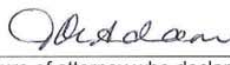
Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Dated 13 September 2019

**VB LeaseCo Pty Ltd
as Assignor**

and

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity but solely as owner trustee
as Assignee**

**SUBLEASE SECURITY ASSIGNMENT
relating to One (1) CFM International Inc CFM56-7B Engine with
ESN 894902**

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THIS DEED OF SECURITY ASSIGNMENT is made on 13 September **2019**
BETWEEN:

- (1) **VB LeaseCo Pty Ltd**, a company incorporated and existing under the applicable of Australia, whose registered office is at 56 Edmondstone Road, Bowen Hill, Brisbane, Queensland 4006, Australia (the "**Assignor**"); and
- (2) **WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION**, not in its individual capacity but solely as owner trustee (the "**Assignee**").

WHEREAS:

- (A) By an aircraft engine lease agreement dated 13 September 2019 (the "**Lease Agreement**") and made between the Assignee as lessor and the Assignor as lessee, the Assignee agreed to lease to the Assignor and the Assignor agreed to lease from Assignee one (1) Engine for the period and upon the terms and conditions therein contained.
- (B) By a sub-lease agreement dated 13 September 2019 (the "**Sublease Agreement**") and made between the Assignor as sublessor and Virgin Australia Airlines Pty Limited (the "**Sublessee**") as sublessee, the Assignor agreed to sublease to the Sublessee and the Sublessee agreed to sublease the Engine for the period and upon the terms and conditions therein contained.
- (C) The Assignor has agreed to enter into this Assignment as security for its obligations under the Lease Agreement.

THIS ASSIGNMENT WITNESSES as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Assignment words and expressions defined in the Lease Agreement (whether defined therein or incorporated by reference to another agreement) shall bear the same meanings unless otherwise defined herein and the following words and expressions have the following meanings, in each case unless the context otherwise required:

"Assigned Property" means all of the Assignor's present and future right, title and interest in and to the Sublease Agreement, including without limitation, (i) all the Assignor's rights, title, interest, benefits and claims under or pursuant to the Sublease Agreement howsoever and whensoever the same may arise or be or become exercisable or capable of being made, (ii) all payments due under the Sublease Agreement and all other rights of the Assignor to receive monies thereunder or pursuant thereto, (iii) the right to perform under the Sublease Agreement and to compel performance and otherwise exercise all rights and remedies under the Sublease Agreement, (iv) all claims, rights and remedies of the Assignor arising out of or in connection with a breach of or default under or in connection with the Sublease Agreement including all damages and compensation payable for or in respect thereof, (v) all rights to give and receive notices, reports, requests and consents, to make demands, to exercise discretions, options and elections under the Sublease Agreement and to take all other action thereunder, pursuant thereto or in connection therewith and (vi) to the extent not included in the foregoing, all proceeds of any and all of the foregoing (but does not include the Excluded Property).

"Engine" means the CFM International Inc CFM56-7B model aircraft engine bearing manufacturer's serial number 894902 as more fully described in the Lease Agreement.

"Excluded Property" means each and every amount paid or payable to the Assignor under or pursuant to the Sublease Agreement by way of or in satisfaction of an indemnity payment or claim personal to or for the direct benefit of the Assignor and/or any of its directors, officers, servants, agents and/or employees and which is not stated or intended pursuant to the Lease Agreement to fund any amount paid or payable by the Assignor under the Lease Agreement and any claims, rights, benefits, remedies and/or compensation in respect thereof.

"Secured Obligations" means all monies, liabilities and obligations whatsoever which are now or at any time hereafter may be due owing or payable by Assignor to Assignee pursuant to the Lease Agreement.

1.2 Clause headings and the table of contents are inserted for convenience of reference only, have no legal effect and shall be ignored in the interpretation of this Assignment.

1.3 In this Assignment, unless a contrary indication appears:

- (a) references to clauses and the Schedules are to be construed as references to the clauses of, and the Schedules to, this Assignment and references to this Assignment include the Schedules;
- (b) references to (or to any specified provision of) this Assignment or any other document shall include this Assignment, that document or the relevant provision as it may from time to time be amended but so that the above is without prejudice to any requirement in any relevant document that the prior consent of any party to such relevant document be obtained and references herein to the "Lease Agreement" shall (unless otherwise specified in this Assignment) be deemed to include any amendment, supplement and novation thereof as the parties thereto may agree from time to time;
- (c) a reference to an **"amendment"** includes a supplement, novation, restatement or re-enactment and **"amended"** will be construed accordingly;
- (d) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;
- (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated association or body of persons and any Government Entity, whether or not having separate legal personality and references to any party shall be construed so as to include the successors, permitted assignees and permitted transferees of the relevant party;
- (f) references to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation;
- (g) an Event of Default is **"continuing"** if it has not been remedied or waived;
- (h) a reference to an **"approval"** shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority; and
- (i) a reference to **"including"** shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

2 Representations and Warranties

Assignor hereby represents and warrants to the Assignee that:

- (a) Assignor has the full power and authority and legal right to execute, deliver and perform the terms of this Assignment and such execution, delivery and performance is duly authorised by all necessary corporate action of the Assignor (and such authority has not been altered, revoked or rescinded) and this Assignment constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms;

- (b) Sublease constitutes valid and binding obligations of the Assignor and is in full force and effect and has not been varied or modified in any way or cancelled and neither the Assignor nor (so far as Assignor is actually aware) the relevant Sublessee are in default thereunder nor has any Casualty Event occurred with respect to the Engine; and
- (c) Assignor has not prior to the execution of this Assignment, assigned, pledged, charged or otherwise encumbered the Assigned Property to or in favour of any person other than the Assignee.

3 Security Assignment.

- 3.1 To secure the due and punctual observance, performance and discharge of Secured Obligations, Assignor hereby assigns and agrees to assign the Assigned Property to the Assignee provided that the Assignor shall keep the Assignee fully and effectually indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Assignee by reason of the failure of the Assignor to perform any of its obligations pursuant to the Sublease and provided further that any or all monies and rights comprising the Assigned Property shall be payable to the Assignor and performed in accordance with the provisions regulating payment and performance thereof in the Sublease until such time as an Event of Default shall occur and be continuing under the Lease Agreement and the Assignee shall direct to the contrary, whereupon the Assignor shall forthwith, and the Assignee may, at any time thereafter, instruct the persons from whom such monies are then payable to pay the same to the Assignee or as it may direct.
- 3.2 To the extent that any of the Assigned Property is not at any time assigned pursuant to this Clause 3.1, the Assignor with full title guarantee, hereby by way of first fixed charge, charges and agrees to charge to, and agrees to create in favour of, the Assignee a general encumbrance in and over the Assigned Property to the fullest extent permitted by applicable law.
- 3.3 Any amount received by the Assignee pursuant to this Assignment shall be applied in discharging any sums then due and owing which are secured by this Assignment.
- 3.4 This security is in addition to, and shall not be merged in, or in any way prejudice, any other security interest, document or right which the Assignee may now or at any time hereafter hold or have.
- 3.5 The powers which this Assignment confers on the Assignee are cumulative, without prejudice to its powers under the general law and may be exercised as often as the Assignee thinks appropriate.
- 3.6 Upon payment or discharge of all of the Secured Obligations to the satisfaction of the Assignee, the Assignee, at no cost to Assignee, agrees to reassign to the Assignor all right, title, benefit and interest in the Assigned Property, without recourse or warranty, and execute and deliver to the Assignor such instrument as shall be reasonably required by the Assignor to evidence the satisfaction, release and discharge of this Assignment and the encumbrances created hereby, to release and discharge the Assigned Property, freed and discharged from the provisions herein contained and release of the Assignor from its covenants herein contained; provided that this Assignment shall be reinstated if at any time payment and performance of the Secured Obligations, or any part thereof, are, pursuant to applicable law, rescinded or reduced in amount or must otherwise be restored or returned by Assignee, whether as a "voidable preference", "fraudulent preference", "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made.

4 Notice of Assignment.

- 4.1 Assignor shall on the Sublease Delivery Date (as defined in the Sublease) give written notice of assignment to the Sublessee in the form substantially set out in Schedule 1 (Form of Notice of Assignment to Sublessee) of this Assignment and shall procure that the Sublessee executes and delivers to the Assignee an acknowledgement of assignment in the form substantially set out in Schedule 2 (Form of Acknowledgement of Assignment from the Sublessee) of this Assignment.
- 4.2 From time to time after the execution of this Assignment, the Assignor shall deliver to the Assignee evidence, in form and substance satisfactory to the Assignee that this Assignment has been delivered to and filed with all relevant authorities in Australia of the charges created or the security interests constituted by the Assignor pursuant to this Assignment.

5 Covenants.

Assignor hereby covenants with the Assignee that:

- (a) it will do or permit to be done each and every act or thing, in each case at no cost to Assignee, which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights in relation to the Assigned Property and under this Assignment;
- (b) it will not transfer, assign, sell, dispose of or otherwise alienate, nor will it create or permit to exist any mortgage, charge, pledge lien or other security interest whatsoever, howsoever created or arising, over any of its rights, title, benefit or interest under the Assigned Property; and
- (c) following the occurrence of an Event of Default which is continuing under the Lease Agreement the Assignor will not without the prior written consent of the Assignee, not to be unreasonably withheld or delayed, amend or modify any provision of the Sublease which would in any way be prejudicial to the Assignee's rights or agree or purport to do so.

6 Assignor Acknowledgements.

It is agreed that notwithstanding the provisions of this Assignment:

- (a) Assignor shall at all times remain liable to perform all the duties and obligations of the Assignor in relation to the Assigned Property to the same extent as if this Assignment had not been executed;
- (b) the exercise by Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to each Sub-Lessee under the Sub-Lease except to the extent that such exercise by the Assignee shall constitute performance of such duties and obligations;
- (c) Assignee shall not have any obligation or liability under the Assigned Property by reason of, or arising out of, this Assignment or be obliged to perform any of the obligations or duties of the Assignor under the Assigned Property or to make any payment or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder;
- (d) for so long as no Event of Default shall have occurred and be continuing under the Lease Agreement, the Assignor shall continue to be entitled to exercise its rights and powers under the Sublease but at any time following the occurrence and during the continuance of an Event of Default under the Lease Agreement Assignee shall be entitled to notify the Sublessee that the Assignee's rights as assignee have become exercisable, and after the delivery of such notice, during the continuance of such Event of Default, all such rights and powers shall be exercisable only by the Assignee;

- (e) Assignee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment made under the Assigned Property or received by it hereunder or to make any claim or take any other action to collect any monies or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee shall be entitled;
- (f) Assignee shall not be responsible in any way whatsoever in the event that the exercise by the Assignor of any of its rights or powers under the Assigned Property may be adjudged improper or to constitute a breach or repudiation of the Assigned Property by the Assignor; and
- (g) in the event of any circumstances whereby further performance of the Sublease becomes impossible or unlawful or is otherwise frustrated, such impossibility, unlawfulness or frustration shall not affect the validity of any payments already received by the Assignee pursuant to this Assignment.

7 Power of Attorney.

As security for the performance of the Secured Obligations and for conferring on the Assignee the benefit of the rights expressed to be conferred under this Assignment, the Assignor irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney with full power (in the name of the Assignor or otherwise) to carry out any of the Assignor's obligations under this Assignment, to ask, require, demand, receive, compound and give acquittance for any and all monies and advises for monies due or to become due, under or arising out of, the Sublease or the Assigned Property, to enforce any provision thereof, to give valid receipts and discharges, to endorse any cheques or other instalments or orders in connection therewith, and generally to file any claims or take any action or institute any proceedings which may seem necessary or advisable to the Assignee, for the purpose of putting into effect the intent of this Assignment. The powers conferred on the Assignee by this Clause shall only be exercisable by the Assignee following the occurrence and during the continuance of an Event of Default in payment or discharge of the Secured Obligations, but no party dealing with the Assignee as such attorney shall be bound to enquire as to whether this condition has in fact been satisfied.

8 Application of Proceeds.

If any sum paid or recovered in respect of the liabilities of the Assignor under this Assignment is less than the amount then due, the Assignee may apply that sum in accordance with the provisions of the Lease Agreement.

9 Continuing Security.

The security hereby constituted shall be a continuing security and shall not be discharged by reason of any matter which would otherwise discharge the Assignor from its obligations hereunder including without limitation, any variation of or amendment to Lease Agreement, except as provided for in Clause 3.6 above.

10 Further Assurance.

Assignor agrees at any time and from time to time, upon the request of the Assignee, to execute and deliver promptly and duly to the Assignee any and all such further instruments and documents which the Assignee may reasonably require, or which are required by law, for obtaining the full benefits of this Assignment and the Assigned Property and of the rights and powers herein granted.

11 Compliance.

If Assignor fails to comply with any provision of this Assignment, the Assignee may, without being in any way obliged to do so, or responsible for so doing and without prejudice to its ability

to treat that non-compliance as a default by the Assignor in the payment or discharge of any of the Secured Obligations effect compliance on the Assignor's behalf, whereupon the Assignor will become liable to pay immediately on receipt of written demand therefor any sums reasonably expended by the Assignee together with all reasonable costs and expenses (including reasonable legal costs) in connection therewith, together with interest, at the Post-Default Rate (without deduction, both after and before judgment) from the date of the Assignee's expenditure until payment.

12 Delays; Waivers; Rights Cumulative

No failure to exercise, and no delay on the part of the Assignee in exercising, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude the further exercise thereof. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13 Notices.

- 13.1 Any notice or other communication to be given under or for the purposes of this Assignment shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post, reputable courier or facsimile (subject, in the case of facsimile transmission, to the sender having posted a copy of the facsimile transmission to the notice address of the recipient on the date of transmission (but without prejudice to Clause 13.3)) to the relevant person at the following address or facsimile number (or such other address or facsimile number) as that person may have designated in writing from time to time to the person giving the notice):

Assignee:	Address:	299 S. Main Street, 5th Floor Salt Lake City, Utah 84111 USA
	Attention:	Corporate Trust Lease Group
	Email:	ctsleasecompliance@wellsfargo.com

With a Copy to:

Assignor:	Address:	c/- Virgin Australia Airlines Pty Limited Virgin Village 56 Edmondstone Road, Bowen Hills, Qld 4006, Australia
	Attention:	Steven Fouracre, Group Treasurer
	Email:	Steven.fouracre@virginaustralia.com with a copy to: treasury.operations@virginaustralia.com

- 13.2 Any such notice or other communication shall be deemed to have been received by the recipient:
- (a) in the case of a letter which is hand delivered or delivered via courier, when actually delivered and, in the case of a letter which is sent by registered post, on the tenth day after posting (or on actual receipt if earlier); or
 - (b) in the case of transmission by facsimile, if transmitted during normal business hours in the place of receipt, at the time of transmission, and otherwise, when normal business hours next begin in the place of receipt.
- 13.3 Each person making a communication under this Assignment by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Assignment.

13.4 All communications and documents delivered pursuant to or otherwise relating to this Assignment shall either be in English or accompanied by a certified English translation prepared by a translator approved by the Assignee.

14 Partial Invalidity.

If at any time any one or more of the provisions of this Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15 Governing Law and Jurisdiction.

15.1 This Assignment is governed by English law without regard to any conflict of laws or rules which might result in the application of the law of another jurisdiction.

15.2 The Assignee and the Assignor irrevocably agree that the provisions set out in Section 26 of the GTA shall apply to this Assignment as if the same are set out herein *mutatis mutandis*.

15.3 Third Party Rights

(a) Unless expressly provided to the contrary in this Assignment and without prejudice to the interests of any assignee or any beneficiary of any assignment in the Assigned Property, no term of this Assignment is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Assignment.

(b) Notwithstanding any term of this Assignment, as between the Assignor and the Assignee, the consent of a third party is not required for any assignment, novation or other disposal of all or any of their respective rights or obligations, variation (including any release or compromise of any liability hereunder) or termination or discharge of this Assignment in accordance with the terms herein.

16 Miscellaneous.

16.1 Any settlement or discharge between the Assignee on the one hand and the Assignor and/or any other person on the other hand shall be conditional upon no payment to the Assignee by the Assignor or such other person forming part of the Secured Obligations being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.

16.2 This Assignment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which taken together shall constitute one and the same instrument.

16.3 This Assignment shall be binding upon and enure to the benefit of each of the parties hereto and its successors, permitted assigns and permitted transferees.

16.4 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Assignment.

THIS ASSIGNMENT HAS BEEN EXECUTED AS A DEED, AND IT HAS BEEN DELIVERED ON THE DATE STATED AT THE BEGINNING OF THIS ASSIGNMENT.

Schedule 1
Form of Notice of Assignment to Sublessee

From: Wells Fargo Trust Company, National Association
not in its individual capacity but solely as owner trustee (the "**Lessor**")
VB LeaseCo Pty Ltd the "**Lessee**")

To: _____ (the "**Sublessee**")

Date: _____

Dear Sirs,

One (1) [__] bearing manufacturer's serial number [__] (the "Engine")

We refer to:

- (a) the aircraft engine lease agreement dated _____ 2019 between [__] (the **Lessor**) and VB LeaseCo Pty Ltd (the "**Lessee**") relating to the Engine (the "**Lease Agreement**");
- (b) the sublease agreement dated _____ 2019 between the Lessee and the Sublessee relating to the Engine (the "**Sublease Agreement**"); and
- (c) the sublease security assignment dated _____ 2019 between the Lessor (as assignee) and the Lessee (as assignor), pursuant to which the Lessee assigned by way of security to the Lessor certain rights in relation to the Sublease Agreement (the "**Assignment**").

1 Unless otherwise defined herein, terms and expressions defined in the Lease Agreement shall have the same meanings when used in this Notice.

2 We hereby give you notice that, pursuant to the Assignment, the Lessee has assigned absolutely by way of security to the Lessor all of its right, title and interest (present, future, actual and contingent) in and to the Assigned Property (as defined in the Assignment) (which includes the Sublease Agreement).

3 After receipt by you from the Lessor of a notice to the effect that an Event of Default has occurred and is continuing under the Lease Agreement:

- (a) the Lessor shall be entitled to enforce all or any of the Lessee's rights in respect of the Assigned Property (as defined in the Assignment) and you shall comply with the instructions of the Lessor in relation thereto to the exclusion of the Lessee; and
- (b) all monies that may be payable by you under the Sublease Agreement forming part of the Assigned Property (as defined in the Assignment) shall be paid as the Lessor may direct.

4 Sublessee may be entitled to rely on such notice without the need to make further enquiries and shall have no liability to the Lessee for not making a payment or performing any obligation under the Sublease Agreement, so long as the Sublessee acts in accordance with the directions contained in such notice from the Lessor.

5 Each of the Lessee and the Lessor hereby acknowledges and confirms that, to the extent that payments are received by, or obligations are performed in favour of, the Lessor pursuant to this notice, such payment or performance shall operate to discharge pro tanto the obligations of the Sublessee under the Sublease Agreement.

6 Nothing herein or by virtue of the Assignment shall create or impose or be deemed as having created or imposed on you any increased or additional obligation or liabilities under the

Sublease Agreement or shall limit or waive or deemed as having limited or waived any of your rights or remedies under the Sublease Agreement.

- 7 This notice and the instructions contained in this Notice be amended or revoked without the written consent of the Lessor and the Lessee.
- 8 This notice and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.
- 9 Please acknowledge receipt of this notice and undertake to make payment and performance as aforesaid by signing the enclosed acknowledgement of assignment and returning one copy to each the Lessor and the Lessee.

Yours faithfully
[]
as Lessor

VB LeaseCo Pty Ltd
as Lessee

By: _____

By: _____

Title: _____

Title: _____

Schedule 2
Form of Acknowledgement of Assignment from the Sublessee

Dear Sirs

One (1) [__] bearing manufacturer's serial number [__] (the "Engine")

1. We acknowledge receipt of a Notice of Assignment dated _____, ____ (the "**Assignment Notice**") relating to an assignment (the "**Assignment**") between VB LeaseCo Pty Ltd (the "**Assignor**") and Wells Fargo Trust Company, not in individual capacity but solely as owner trustee, as assignee.
2. We acknowledge that the Assignment is effective to confer on you all the rights, title and interest of the Assignor under and as defined in the Assignment.
3. Unless otherwise defined herein, terms and expressions defined in the Notice shall have the same meanings when used in this Acknowledgement.
4. This Acknowledgement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the English law.

Yours faithfully


as Sub-Lessee

EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT

Executed as a deed

The Assignor

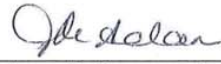
Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness

BILLY MAYBERRY

Full name of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

T.M. McADAM
Attorney

Full name of attorney

Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Engine Structured Trust III** by its authorised signatory in the presence of:

Signature of witness

Full name of witness

Signature of authorised signatory

Full name of authorised signatory

**EXECUTION PAGE
SUBLEASE SECURITY ASSIGNMENT**

Executed as a deed

The Assignor

Signed, sealed and delivered for and on behalf of **VB LeaseCo Pty Limited (with Australian Business Number 29 134 268 741)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:

Signature of witness

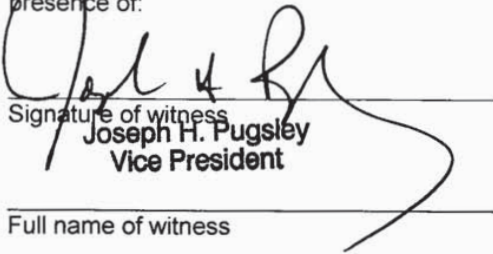
Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney


Assignee

Signed for and on behalf of **Wells Fargo Trust Company, NA, not in its individual capacity but solely as Owner Trustee for the benefit of Willis Engine Structured Trust III** by its authorised signatory in the presence of:



Signature of witness
Joseph H. Pugsley
Vice President

Full name of witness



Signature of authorised signatory
J. Brent Allen
Vice President

Full name of authorised signatory

Guarantee Confirmation

Wells Fargo Trust Company, National Association,
as Owner Trustee
299 S. Main Street, 5th Floor
Salt Lake City, Utah 84111 USA
MAC: U1228-051

Attn: Corporate Trust Lease Group
Email: ctsleasecompliance@wellsfargo.com
Telephone No.: +1 801-246-6000

With a copy to Beneficiary:
Willis Engine Structured Trust III
60 East Sir Francis Drake Blvd., Suite 209,
Larkspur, CA USA
Attn: General Counsel

13 September 2019

Dear Sirs

Guarantee confirmation

We refer to:

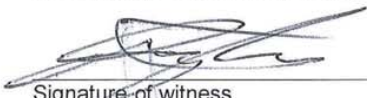
1. the Guarantee and Indemnity (**Guarantee and Indemnity**) between Virgin Australia Airlines Pty Limited (as **Guarantor**), Wells Fargo Trust Company, National Association as Owner Trustee (as **Lessor**) and VB LeaseCo Pty Ltd (as **Lessee**); and
2. the "General Terms Engine Lease Agreement" between the Lessor as "Lessor" and the Lessee as "Lessee" dated on or about 24 May 2019, as further amended from time to time (**GTA**); and
3. the Aircraft Engine Lease Agreement between the Lessor (as lessor) and the Lessee (as lessee) entered into pursuant to the GTA in respect of the following Engine CFM56-7B26/3, ESN 894902 (**Engine**) dated 13 September 2019 (the **Lease**).

This is a Guarantee Confirmation as contemplated by the Guarantee and Indemnity.

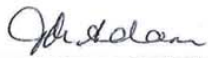
By executing this Guarantee Confirmation we confirm that the Lease is a "Lease" for all purposes of the Guarantee and Indemnity and that the Engine is an "Engine" for all purposes of the Guarantee and Indemnity, and that all of the obligations of the Guarantor under the Guarantee and Indemnity apply to the Engine and the Lease.

Executed as a deed.

Signed, sealed and delivered for and on behalf of **Virgin Australia Airlines Pty Ltd (with Australian Business Number 36 090 670 965)** by its attorney under a power of attorney dated 25 February 2019 in the presence of:



Signature of witness



Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

BILLY MAYBERRY

Full name of witness

T.M. McADAM
Attorney

Full name of attorney

EQUIPMENT DELIVERY RECEIPT


FROM: VB LEASECO PTY LTD

TO: WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, as Owner
Trustee

The undersigned hereby acknowledges that on September 13, 2019, Wells Fargo Trust Company, National Association, not in its individual capacity but solely as Owner Trustee ("Lessor") for the benefit of Willis Engine Structured Trust III, delivered to VB LeaseCo Pty Ltd ("Lessee") that certain CFM International model number CFM56-7B26/3 aircraft engine, manufacturer's serial number 894902 (the "Engine"), and Engine Stand Cradle: P/N AM-2811-4800, S/N 769; Base: P/N AM2563-200, S/N 1216 (the "Engine Stand"), QEC unit consisting of all the components set forth in Appendix A to the Lease, and all Engine records in Lessor's possession requested by Lessee, including a copy of the life-limited parts profile attached as Appendix B to the Lease, at the facility of KLM, Amsterdam, The Netherlands. The undersigned further acknowledges receipt and acceptance of the Engine, Engine Stand, QEC unit and all such records and compliance thereof with all the terms and conditions of that certain Aircraft Engine Lease Agreement dated as of September 13, 2019 between Lessee and Lessor.

Dated September 13, 2019.

VB LEASECO PTY LTD

By: 
Name: T.M. McADAM
Title: Attorney

1 May 2020

The issue that arises with Order 9 as it is currently constituted is that the way in which it protects the administrators is to take away not only the risk to the personal assets of the administrators but also, unnecessarily, to remove the right of recourse to the assets of the administration to meet the lease liabilities after the five-day decision period specified in section 443B(2). In the ordinary course, the continued use or occupation of the leased property after the five-day decision period specified in section 443B(2) would constitute debts for which the administrators' indemnity under section 443D and priority under section 443E would apply. The absolution of the administrators' personal liability until 26 May 2020 should not otherwise involve a diminution of any rights or protections that would otherwise extend to creditors in the ordinary course of an administration.


As well, it is appropriate that other terms and conditions of the kind canvassed in the affidavit of Cassandra Adams sworn 24 April 2020 and briefly discussed at the hearing of the Application.

Accordingly, we are instructed to request that the administrators agree to the following variations to the Orders by inserting additional conditions to the following effect (and to be clear, our client supports the continuation of Order 9 subject to the inclusion of these conditions):

1. An order that the Orders cease to have application to the extent that the lease liabilities of the Companies which would, but for the Orders, have accrued as a personal liability of the administrators during the period of the extension are able to be met by the administrators with recourse to the assets of the company under the right of indemnity under section 443D, right of priority under section 443E and lien under section 443F of the Corporations Act.
2. An order pursuant to sections 447A(1) of the Corporations Act and section 90-15 of the IPSC, that Part 5.3A of the Corporations Act is to operate such that the plaintiffs shall treat amounts payable by the second to thirty-ninth plaintiffs for property hired, leased, used or occupied from 28 April 2020 until 26 May 2020 as being debts to which applies the first plaintiffs' right of indemnity under section 443D of the Corporations Act.
3. An order that within seven days, the first plaintiffs confirm the following matters:
 - (a) the location and condition of the Engines;
 - (b) if installed on an aircraft, the owner of the aircraft on which each Engine is installed;
 - (c) that the Engines are being stored and maintained per the Maintenance Manuals applicable to them;
 - (d) that, subject to establishment of appropriate protocols, WEST may have unrestricted access to inspect the Engines and all associated records.

We await your urgent response.

Yours faithfully



Noel McCoy
Partner
Norton Rose Fulbright Australia