

NOTICE OF FILING

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Details of Filing

Document Lodged: Affidavit - Form 59 - Rule 29.02(1)
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: 17/08/2020 12:21:41 PM 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.



Form 59
Rule 29.02(1)

Affidavit

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS

**WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION (AS OWNER TRUSTEE)
AND ANOTHER NAMED IN SCHEDULE 1**

Applicants

**VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 AND OTHERS
NAMED IN SCHEDULE 2**

Respondents

Affidavit of: Salvatore Algeri
Address: 447 Collins Street, Melbourne, Victoria 3000
Occupation: Registered Liquidator and Chartered Accountant
Date: 17 August 2020

Document number	Details	Paragraph	Page
1	Affidavit of Salvatore Algeri sworn 17 August 2020	All	1–8
2	Annexure A	6	9–22
3	Annexure B	10	23–25

I, Salvatore Algeri, of Deloitte Touche Tohmatsu (of which Deloitte Financial Advisory Pty Ltd is a wholly owned subsidiary) (**Deloitte**), at 447 Collins Street, Melbourne, Victoria 3000, Registered Liquidator and Chartered Accountant, say on oath:

- I am a partner in the Financial Advisory Group of the professional services firm trading as Deloitte. I am a Chartered Accountant and a Registered Liquidator and I practise as

Filed on behalf of (name & role of party) The Applicants
Prepared by (name of person/lawyer) Timothy James Sackar
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(include state and postcode)

[Version 3 form approved 02/05/2019]

an accountant specialising in corporate restructuring and insolvency-related matters, with key experience in the consumer business, retail and transport sectors.

2. I am one of the four joint and several voluntary administrators of the First, Second and Fourth Respondents and the other 38 companies set out in schedule 3 to this affidavit (collectively, the **Virgin Companies**), together with Mr Vaughan Strawbridge, Mr John Greig and Mr Richard Hughes (together, the **Administrators** and each an **Administrator**). Mr Strawbridge, Mr Greig and Mr Hughes are also partners of Deloitte. The Administrators are the Third Respondents in the proceeding.
3. I am authorised by Mr Strawbridge, Mr Greig and Mr Hughes to make this affidavit on behalf of the Administrators. Where I depose below to the view or views of the Administrators, they are the views which I and each of Mr Strawbridge, Mr Greig and Mr Hughes hold at the date of swearing this affidavit.
4. Unless otherwise stated, I make this affidavit based on my own knowledge and belief and from information staff members at Deloitte and I have obtained in connection with my role as an Administrator of the First, Second and Fourth Respondents and the other Virgin Companies, which I believe to be true.
5. This is the third affidavit I have made in these proceedings. In this affidavit, I adopt the terms defined in my earlier affidavits sworn 17 July 2020 (**First Affidavit**) and 5 August 2020 (**Second Affidavit**).
6. I make this affidavit in response to the new paragraph 4 of the short minutes of order prepared on behalf of the Applicants and provided by their legal representatives to my solicitors, Clayton Utz, on 14 August 2020 (**Applicants' Updated SMO**). A copy of the Applicants' Updated SMOs is annexed to this affidavit and marked "A".
7. Paragraph 4 of the Applicants' Updated SMO addresses the same issue as paragraph 5 of the Respondents' Proposed Amended Interlocutory Process, namely, the Administrators' use of the assets of insolvent companies in administration to pay the expenses of complying with orders made in this proceeding. As stated in paragraphs [18] to [25] of my Second Affidavit, having regard to the prejudice unsecured creditors will suffer by the payment of those expenses, the Administrators consider it appropriate to seek a declaration or direction that the expenses are properly incurred in carrying on the company's business and that the Administrators are entitled to be indemnified for them.
8. The Administrators oppose the making of orders in the form of Paragraph 4 of the Applicants' Updated SMO and consider that the appropriate form of order is that set out in paragraph 5 of the Respondents' Proposed Amended Interlocutory Process. In

particular, a specific difficulty with the formulation of orders in paragraph 4 of the Applicants' Updated SMO is that orders are sought in respect of expenses incurred by Virgin Tech Pty Ltd (Administrators Appointed) (**Virgin Tech**).

9. Virgin Tech is not a party to the proceedings or to the leasing and subleasing arrangements between and among the Applicants and the First, Second and Fourth Respondents. No notice has been given to Virgin Tech, and its creditors have not been notified of the Applicants' proposal to seek such orders against it. The sole relevance of Virgin Tech to the proceedings is as a service provider which the Respondents may engage to undertake some of the work contemplated in the Redelivery Proposal. Paragraph 4 would, as drafted, make expenses incurred by the First, Second and Fourth Respondents in complying with the Redelivery Proposal, expenses of Virgin Tech. It would also make expenses incurred by Virgin Tech expenses of the First, Second and Fourth Respondents.
10. The Administrators do not consider that to be appropriate. Virgin Tech's liability position is addressed in the extract from ROCAP that was annexed to my Second Affidavit and, for ease of reference, is also annexed to this affidavit and marked "**B**". Virgin Tech is a significant employing entity within the Virgin Group with outstanding employee entitlements of \$14,156,642.12 as at the date of the ROCAP. When debts of other entities in the Virgin Group that Virgin Tech has guaranteed are taken into account, its liabilities are estimated to be \$7,461,868,175.07 (excluding employee entitlements) in the ROCAP. In my view, there is no justification for imposing expenses incurred by the First, Second and Fourth Respondents on Virgin Tech, to the potential detriment of its creditors (in particular, its employee priority creditors). There is also no justification for further burdening the First, Second and Fourth Respondents (whose position is set out at paragraphs [18] to [25] of my Second Affidavit) with expenses incurred by Virgin Tech.

Swearing of this Affidavit

11. I have not been able to swear this affidavit in proper form at the time that I have signed it due to the measures I have taken to minimise the spread of COVID-19.
12. I have been informed by Orfhlaith Maria McCoy, as the proposed witness to this affidavit, and believe, that the relaxation of formality with respect to the unsworn nature of this affidavit does not diminish the need for me to satisfy myself that the contents of this affidavit are true and correct. I have satisfied myself that that is the case.

13. I will formally swear this affidavit when circumstances allow and will instruct Clayton Utz to file the sworn version with the Court.

Sworn by the deponent
at Sydney
in New South Wales
on 17 August 2020
Before me:

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)
)

Signature of Salvatore Algeri

Signature of witness
Orfhlaith Maria McCoy, solicitor.

SCHEDULE 1

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS

Applicants

First Applicant: Wells Fargo Trust Company, National Association (as owner trustee)

Second Applicant: Willis Lease Finance Corporation

SCHEDULE 2

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS

Respondents

First Respondent: VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741

Second Respondent: Virgin Australia Airlines Pty Ltd (Administrators Appointed)
ACN 090 670 965

Third Respondent Vaughan Strawbridge, Salvatore Algeri, John Greig and Richard Hughes, in their capacity as joint and several voluntary administrators of the First and Second Respondents

Fourth Respondent Tiger Airways Australia Pty Limited (Administrators Appointed)
ACN 124 369 008

SCHEDULE 3

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

No. NSD 714 of 2020

IN THE MATTER OF VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741 & ORS**Virgin entities in administration**

1. Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226
2. Virgin Australia International Operations Pty Ltd (Administrators Appointed) ACN 155 859 608
3. Virgin Australia International Holdings Pty Ltd (Administrators Appointed) ACN 155 860 021
4. Virgin Australia International Airlines Pty Ltd (Administrators Appointed) ACN 125 580 823
5. Virgin Australia Airlines (SE Asia) Pty Ltd (Administrators Appointed) ACN 097 892 389
6. Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed) ACN 093 924 675
7. VAH Newco No.1 Pty Ltd (Administrators Appointed) ACN 160 881 345
8. Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008
9. Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965
10. VA Borrower 2019 No. 1 Pty Ltd (Administrators Appointed) ACN 633 241 059
11. VA Borrower 2019 No. 2 Pty Ltd (Administrators Appointed) ACN 637 371 343
12. Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879
13. Short Haul 2018 No. 1 Pty Ltd (Administrators Appointed) ACN 622 014 831
14. Short Haul 2017 No. 1 Pty Ltd (Administrators Appointed) ACN 617 644 390
15. Short Haul 2017 No. 2 Pty Ltd (Administrators Appointed) ACN 617 644 443
16. Short Haul 2017 No. 3 Pty Ltd (Administrators Appointed) ACN 622 014 813
17. VBNC5 Pty Ltd (Administrators Appointed) ACN 119 691 502
18. A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) ACN 098 904 262
19. Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) ACN 008 997 662
20. Virgin Australia Holidays Pty Ltd (Administrators Appointed) ACN 118 552 159

21. VB Ventures Pty Ltd (Administrators Appointed) ACN 125 139 004
22. Virgin Australia Cargo Pty Ltd (Administrators Appointed) ACN 600 667 838
23. VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741
24. VA Hold Co Pty Ltd (Administrators Appointed) ACN 165 507 157
25. VA Lease Co Pty Ltd (Administrators Appointed) ACN 165 507 291
26. Virgin Australia 2013-1 Issuer Co Pty Ltd (Administrators Appointed) ACN 165 507 326
27. 737 2012 No.1 Pty. Ltd (Administrators Appointed) ACN 154 201 859
28. 737 2012 No. 2 Pty Ltd (Administrators Appointed) ACN 154 225 064
29. Short Haul 2016 No. 1 Pty Ltd (Administrators Appointed) ACN 612 766 328
30. Short Haul 2016 No. 2 Pty Ltd (Administrators Appointed) ACN 612 796 077
31. Short Haul 2014 No. 1 Pty Ltd (Administrators Appointed) ACN 600 809 612
32. Short Haul 2014 No. 2 Pty Ltd (Administrators Appointed) ACN 600 878 199
33. VA Regional Leaseco Pty Ltd (Administrators Appointed) ACN 127 491 605
34. VB 800 2009 Pty Ltd (Administrators Appointed) ACN 135 488 934
35. VB Leaseco No 2 Pty Ltd (Administrators Appointed) ACN 142 533 319
36. VB LH 2008 No. 1 Pty Ltd (Administrators Appointed) ACN 134 280 354
37. VB LH 2008 No. 2 Pty Ltd (Administrators Appointed) ACN 134 288 805
38. VB PDP 2010-11 Pty Ltd (Administrators Appointed) ACN 140 818 266
39. Tiger International Number 1 Pty Ltd (Administrators Appointed) ACN 606 131 944
40. VAH Newco No. 2 Pty Ltd (In Liquidation) (Administrators Appointed) ACN 160 881 354
41. VB Investco Pty Ltd (In Liquidation) (Administrators Appointed) ACN 101 961 095

SHORT MINUTES OF ORDER

No. NSD714/2020

Federal Court of Australia
 District Registry: New South Wales
 Division: General

Wells Fargo Trust Company, National Association (as owner trustee) and others named in schedule 1

Applicants

VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741 and others named in schedule 1

Respondents

JUDGE:	JUSTICE MIDDLETON	This and the following 13 pages are Annexure A referred to in the affidavit of Salvatore Algeri	
DATE OF ORDER:	17 August 2020	Sworn on	Before me
WHERE MADE:	Melbourne	_____	_____

The Court declares, that:

- 1 The First Applicant holds (for the benefit of the Second Applicant) an “*international interest*” in the “*aircraft objects*” identified in Schedule 2 pursuant to Article 2 and 7 of the Convention on International Interests In Mobile Equipment on Matters Specific to Aircraft Equipment, done at Cape Town on 16 November 2001 (**Cape Town Convention**).
- 2 The Notice dated 16 June 2020 given by the Third Respondent to the Second Applicant did not discharge the First or Third Respondent’s obligation under Article XI of the Cape Town Aircraft Protocol to “*give possession*” of the “*aircraft objects*” identified in Schedule 2 of these Orders.
- 3 The Notice dated 16 June 2020 given by the Third Respondent to the Second Applicant did not satisfy the requirements of section 443B(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), and did not (pursuant to section 443B(4)) have the effect of

Filed on behalf of (name & role of party)	The Applicants
Prepared by (name of person/lawyer)	Noel McCoy
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relieving the Third Respondent of their obligations under section 443B(2) of the Corporations Act in respect of the property identified in Schedule 2 of these Orders.

- 4 Any expenses incurred by the Respondents or Virgin Tech Pty Limited (Administrators Appointed)(**Virgin Tech**) in complying with orders 5 to 8 of these Orders are:
- (a) expenses properly incurred by the Third Respondent in carrying on the businesses of the First, Second and Fourth Respondents and Virgin Tech within the meaning of section 556(1)(a) of the Corporations Act; and
 - (b) debts or liabilities for which section 443D(aa) entitles the Third Respondent to be indemnified within the meaning of section 556(1)(c) of the Corporations Act from the assets of the First, Second and Fourth Respondents and Virgin Tech.

The Court orders that:

- 5 The Respondents or any of them “*give possession*” of the “*aircraft objects*” identified in Schedule 2, by delivering up, or causing to be delivered up the “*aircraft objects*” to the Applicants in the manner set out in Schedule 3 of these Orders at 4700 Lyons Technology Parkway, Coconut Creek, Florida, 33073, United States of America.
- 6 The time by which the Respondents carry out the steps required by Order 4 of these Orders to deliver up the “*aircraft objects*” is, using their best endeavours, as soon as possible but by no later than 15 October 2020. The Applicants will provide such assistance as is reasonably necessary in relation to the Respondents' obligations under these Orders.
- 7 Unless and until the Respondents, or any of them “*give possession*” in accordance with order 4, or until further order of the Court, the Respondents are to preserve the aircraft objects in Schedule 2 of these Orders by:
- (a) maintaining the Engines identified in Schedule 2 of these Orders;
 - (b) maintaining insurance cover over the aircraft objects identified in Schedule 2 of these Orders,
- to the same or greater extent as was maintained at the date of appointment of the Third Respondent as administrators.

- 8 The Third Respondent do all such things as are necessary and within its power to cause the First, Second, and Fourth Respondent to carry out the Orders of this Court in respect of the completion and transmittal of the records described at Schedule 2, paragraph 7 of these Orders.
- 9 Pursuant to section 443B(8) of the Corporations Act 2001 (Cth), the Third Respondent be relieved of personal liability to pay rent or other amounts payable in respect of the Applicants' aircraft objects that would otherwise have been payable by the Third Respondent pursuant to section 443B(2) from the period commencing _____ 2020 up to and including the date in Order 6 of these Orders.
- 10 To the extent that the Applicants require leave of the Court pursuant to section 440D or 440B(2) of the Corporations Act to begin and proceed with the Originating Application filed on 30 June 2020 against the First and Second Respondents and as amended by the Amended Originating Process on 28 July 2020 against the Fourth Respondent, leave is granted *nunc pro tunc* from those dates.
- 11 Liberty to the parties to apply on 3 days' notice in respect of these Orders, including leave to the Respondents to approach the Court for a further extension to Order 9 hereof if, subject to proof of the Third Respondents' best endeavours, delivery up has not occurred by the date in Order 6 of these Orders.
- 12 The Respondents to pay the Applicants' costs.

Schedule of Parties

No. NSD714/2020

Federal Court of Australia
District Registry: New South Wales
Division: General

Applicants

Second Applicant: **Willis Lease Finance Corporation**

Respondents

Second Respondent: **Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965**

Third Respondent: **Vaughan Neil Strawbridge, John Lethbridge Greig, Salvatore Algeri & Richard John Hughes (in their capacity as voluntary administrators of the First and Second Respondents)**

Fourth Respondent **Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008**

Schedule 2

No. 714 of 2020

Federal Court of Australia
District Registry: New South Wales
Division: General

Schedule of “aircraft objects”**Engines**

- 1 CFM International Engine, Model CFM56-7B24 with engine serial number 888473.
- 2 CFM International Engine, Model CFM56-7B24 with engine serial number 897193.
- 3 CFM International Engine, Model CFM56-7B24 with engine serial number 896999.
- 4 CFM International Engine, Model CFM56-7B24 with engine serial number 894902.

Accessories, parts, and equipment

- 5 Engine stands:
 - (a) (for Engine 888473) with serial numbers:
 - (i) Cradle: P/N D71CRA00005G02, S/N MCC150728-1-3;
 - (ii) Base: P/N D71TRO00005G03, S/N MCC150728-1-3;
 - (b) (for Engine 897193) with serial numbers:
 - (i) Cradle: P/N D71CRA00005G02, S/N MCC150728-1-4;
 - (ii) Base: P/N D71TRO00005G03, S/N MCC150728-1-4;
 - (c) (for Engine 896999) with serial numbers:
 - (i) Cradle: P/N D71CRA00005G02, S/N MCC170335-1-1;
 - (ii) Base: P/N D71TRO00005G03, S/N MCC170335-1-1; and
 - (d) (for Engine 894902) with serial numbers:

- (i) Cradle: P/N AM-2811-4800, S/N 769;
- (ii) Base: P/N AM2563-200, S/N 1216.

6 Quick engine change (**QEC**) units and accessories:

- (a) (for Engine 888473) – as specified in Appendix A of these Orders;
- (b) (for Engine 897193) – as specified in Appendix A of these Orders;
- (c) (for Engine 896999) – as specified in Appendix A of these Orders; and
- (d) (for Engine 894902) – as specified in Appendix A of these Orders.

Data, manuals, and records

7 The following records in respect of each of the Engines:

- (a) Historical Operator Records:
 - (i) Authorized Release Certificates and Installation Work Orders for any engine parts which are replaced on or before the date that the Engines are removed and prepared for transportation by road in accordance with paragraph 4 of Schedule 3 (in the form required under clause 18.3(g) of the General Terms of Agreement applicable to any Engine Lease (**GTA**)); and
 - (ii) Any records created, made or otherwise arising from the ferry flights or engine removal contemplated in Schedule 3 of these Orders (of the kind and in the form required under clause 7 of the GTA);
- (b) End of Lease Operator Records/Status Statements:
 - (i) History Statement for each of the Engines in the form specified in Appendix B of these Orders;
 - (ii) Non-Incident Statement for each of the Engines in the form specified in Appendix B of these Orders;
 - (iii) In respect any ferry flight referred to in Schedule 3:

- (A) Non Incident Statement exclusive to that ferry flight that identifies the engine Time and Cycles at removal in the form required under Exhibit E of the GTA;
- (B) Aircraft journey logs that identify flight hours and cycles accumulated for that ferry flight in accordance with item F in Exhibit F of the GTA or in a form similar to Exhibit D of the GTA and amended to reflect the ferry flight;
- (iv) Combination Statement for each of the Engines in the form specified in Appendix B of these Orders;
- (v) Life Limited Parts Status Statement for each of the Engines in the form specified in Appendix B of these Orders;
- (vi) Airworthiness Directive Status Statement for each of the Engines in the form specified in Appendix B of these Orders;
- (vii) Approved Maintenance Organization (AMO) Statement for each Engine in the form specified in Appendix B of these Orders;
- (viii) Commercial Traceability Statement to be completed by head lessee in the form specified in Appendix B of these Orders;
- (ix) Documentation pertaining to any engine removal carried out in accordance with Schedule 3 including but not limited to:
 - (A) Engine removal work Order in a form similar to item 9 of Exhibit D of the GTA; and
 - (B) Long term preservation work order and tag in accordance with items P and Q in Exhibit F of the GTA.
- (c) Lease Inspection Records:
 - (i) OEM EHM redelivery report as referred to in clause 6(b)(i) of the GTA;
 - (ii) Borescope Report as referred to in clauses 18.1(c) and 18.2(c) of the GTA;
 - (iii) Borescope Video as referred to in clauses 18.1(c) and 18.2(c) of the GTA;

- (iv) C Check / MPD Tasks sign off as referred to in clauses 18.1(c) and 18.2(c) of the GTA;
- (v) Preservation tag as referred to in Exhibit F, clause q of the GTA;
- (vi) Dual Release Certificate being a United States Federal Aviation Administration (**FAA**) Form 337 and one of:
 - (A) a completed FAA Form 8130-3 (marked approved for Return to Service in accordance with part 43.9 of Title 14 of the US Code of Federal Regulations (**CFR**) and Release to Service in accordance with European Union Aviation Safety Agency (**EASA**) regulation Part 145.A.50); or
 - (B) an 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).

Definition of Engine Lease

- 8 In this Schedule 2, a reference to an Engine Lease is a reference to any or all of, as the case may be, the lease agreements between the First Applicant and the First Respondent, the engine lease support agreement between the Second Applicant and the First Respondent, and the sub-lease agreements between the First Respondent and the Second Respondent described in paragraph 5 of Schedule 3 of these Orders.

Schedule 3

No. NSD714/2020

Federal Court of Australia
District Registry: New South Wales
Division: General

- 1 Consistent with the applicable engine manufacturer's procedures for removal and the terms of the Engine Leases, the Respondents and where required, using Virgin Tech, to cause the Engines, Engine Stands and QECs to be transported to the Applicants according to the following steps as soon as possible using best endeavours but by no later than 15 October 2020:

Ferry flight of Engine 894902 from Adelaide to Melbourne

- (a) the Respondents to obtain from CASA the necessary regulatory approvals to carry out the terms of these Orders, including an extension of the Virgin Tech CASA approval to permit removal of the Engines at the facility operated by Delta Air Lines, Inc. (**Delta**) at Hartsfield-Jackson Atlanta International Airport at Atlanta, Georgia, United States (**Delta Facility**);
- (b) the Respondents to cause aircraft VH-VUT to which is attached Engine 894902 to be transported from Adelaide to the Respondents' and Virgin Tech's Melbourne airport facility;
- (c) the Respondents to cause to be created the End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b)(iii) of these Orders and to transmit them to the Applicants via email or via online data room;

Ferry Flight of Engine 894902 and Engine 896999 from Melbourne to Atlanta, USA

- (d) at the Respondents' and Virgin Tech's Melbourne airport facility, the Respondents to cause Engine 896999 currently attached to VH-VOT to be removed and placed on VH-VUT;
- (e) the Respondents to cause to be created the End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b)(ix) in respect of Engine 896999 and to transmit them to the Applicants via email or via online data room; and

- (f) the Respondents to cause VH-VUT to be flown (with Engine 894902 and Engine 896999 installed) to the Delta Facility;

Inspection, removal and road transportation of Engine 894902 and Engine 896999 from Atlanta, USA to Florida, USA

- (g) the Respondents to cause, while Engine 894902 and Engine 896999 remain installed on airframe with registration VH-VUT, the inspections, checks and other steps necessary to enable the Respondents or Delta, as the case may be, to create, prepare or complete:
- (i) End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b)
 - (ii) Lease Inspection Records described in Schedule 2, paragraph 7(c);
- (h) the Respondents to cause:
- (i) Engine 894902 and Engine 896999 to be removed from airframe with registration VH-VUT by Delta at the Delta Facility;
 - (ii) Engine 894902 and Engine 896999 to be placed into Engine Stands specified in paragraphs 5(a) and (b) of Schedule 2 currently located at the Delta Facility;
 - (iii) the QECs described at Schedule 2, paragraphs 6(c) and (d) of these Orders to be removed from Engine 894902 and Engine 896999 respectively;
 - (iv) Engine 894902 and Engine 896999 to be prepared in readiness for transportation in accordance with paragraph 4 of this Schedule 3;
 - (v) all End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b) and Lease Inspection Records described in Schedule 2, paragraph 7(c) in respect of Engine 894902 and Engine 896999 to be transmitted the Applicants via email or via online data room; and
 - (vi) Engine 894902 and Engine 896999 and the QECs described at Schedule 2, paragraphs 6(c) and (d) of these Orders to be transported by road

using trucks equipped with air ride or air cushion tractors and trailers to the Applicants to their at facility at 4700 Lyons Technology Parkway, Coconut Creek, Florida, 33073, United States of America (**Coconut Creek Facility**).

Ferry Flight of Engine 888473 and Engine 897193 from Melbourne to Atlanta, USA

- (i) using the Respondents' and Virgin Tech's Melbourne airport facility, the Respondents to cause Engine 888473 (currently installed on airframe with registration VH-VOY) and Engine 897193 (currently installed on airframe with registration VH-VUA) to be removed from airframes on which they are respectively installed and installed on airframe with registration VH-VUT;
- (j) the Respondents to cause to be created the End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b)(ix) in respect of Engine 888473 and Engine 897193 and to transmit them to the Applicants via email or via online data room;
- (k) the Respondents to cause VH-VUT to be flown (with Engine 888473 and Engine 897193 installed) to the Delta Facility;

Inspection, removal and road transportation of Engine 888473 and Engine 897193 from Atlanta, USA to Florida, USA

- (l) the Respondents to cause, while Engine 888473 and Engine 897193 remain installed on airframe with registration VH-VUT, the inspections, checks and other steps necessary to enable the Respondents or Delta, as the case may be, to create, prepare or complete:
 - (i) End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b)
 - (ii) Lease Inspection Records described in Schedule 2, paragraph 7(c);
- (m) the Respondents to cause:
 - (i) Engine 888473 and Engine 897193 to be removed from airframe with registration VH-VUT by Delta at the Delta Facility;

- (ii) Engine 888473 and Engine 897193 to be placed into Engine Stands specified in paragraphs 5(c) and (d) of Schedule 2 currently located at the Virgin Tech's Melbourne airport facility or alternatively:
 - (A) in lieu of using the Engine stands specified at paragraphs 5(c) and (d) of Schedule 2 (**Initial Stands**), the Respondents may substitute those stands with equivalent engine stands approved by the Applicants (acting reasonably) (**Replacement Stands**) after which time ownership and title to the Initial Stands will pass to Virgin and the Replacement Stands will pass to the Applicants;
 - (B) in respect of the preceding paragraph (A), the Applicants agree that they will not unreasonably withhold consent to the use substitute stands provided that those stands are of the same make, model, condition and quality of the Initial Stands and which otherwise comply with the applicable engine manufacturer's procedures for storage and transport of the Engines.
- (iii) the QECs described at Schedule 2, paragraphs 6(a) and (b) of these Orders to be removed from Engine 888473 and Engine 897193 respectively;
- (iv) Engine 888473 and Engine 897193 to be prepared in readiness for transportation in accordance with paragraph 4 of this Schedule 3;
- (v) all End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b) and Lease Inspection Records described in Schedule 2, paragraph 7(c) in respect of Engine 888473 and Engine 897193 are to be transmitted to the Applicants via email or via online data room; and
- (vi) Engine 888473 and Engine 897193 and the QECs described at Schedule 2, paragraphs 6(a) and (b) of these Orders to be transported by road using trucks equipped with air ride or air cushion tractors and trailers to the Applicants to their Coconut Creek Facility.

Applicants' participation

- 2 The steps to be taken by the Respondents under the previous paragraph involving:

- (a) removal of Engines or QECs;
- (b) placing of Engines on Engine Stands;
- (c) inspections, checks or other steps necessary to produce End of Lease Operator Records/Status Statements described in Schedule 2, paragraph 7(b) and Lease Inspection Records described in Schedule 2, paragraph 7(c); or
- (d) preparation of Engines or QECs in readiness for road transport

are to be taken in the presence of the Applicants' nominated representative and, so far as reasonable and consistent with the applicable engine manufacturer's procedures for removal and the terms of the Engine Leases, will cause those steps to be carried out in accordance with the directions of the Applicants' nominated representative.

- 3 At the time of removal of Engines or QECs, the Respondents' will give the Applicants' nominated representative sufficient access to the Engines and components in order to undertake an inventory of the parts belonging to the Applicants.

Preparation of Engines in readiness for road transportation

- 4 Where it is specified in these Orders that the Respondents shall cause the Engines prepared in readiness for transportation, they shall cause to occur, for each Engine, consistent with the applicable engine manufacturer's procedures for removal and the terms of the Engine Leases:
- (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 provided by the Applicants or with heavy gauge vinyl plastic if the Applicants do not provide an MVP Bag;
 - (d) otherwise preparing the Engine for shipment and, if applicable, the shipment of the Engine, in accordance with the manufacturer's specifications/recommendations.

Definition of Engine Lease

- 5 In this Schedule 3, a reference to an Engine Lease is a reference to any or all of, as the case may be, the lease agreements between the First Applicant and the First Respondent, the engine lease support agreement between the Second Applicant and the First Respondent, and the sub-lease agreements between the First Respondent and the Second Respondent as follows:
- (a) Engine Lease Support Agreement dated 24 May 2019 between the Second Applicant and the First Respondent;
 - (b) General Terms Engine Lease Agreement dated 24 May 2019 between the First Applicant and the First Respondent;
 - (c) Aircraft Engine Lease Agreement in respect of Engine 897193 dated 24 May 2019 between the First Applicant and the First Respondent;
 - (d) Engine Sublease Agreement in respect of Engine 897193 dated 24 May 2019 between the First Respondent and the Second Respondent;
 - (e) Aircraft Engine Lease Agreement in respect of Engine 896999 dated 14 June 2019 between the First Applicant and the First Respondent;
 - (f) Engine Sublease Agreement in respect of Engine 896999 dated 14 June 2019 between the First Respondent and the Second Respondent;
 - (g) Aircraft Engine Lease Agreement in respect of Engine 888473 dated 28 August 2019 between the First Applicant and the First Respondent;
 - (h) Engine Sublease Agreement in respect of Engine 888473 dated 28 August 2019 between the First Respondent and the Second Respondent; and
 - (i) Aircraft Engine Lease Agreement in respect of Engine 894902 dated 13 September 2019 between the First Applicant and the First Respondent; and
 - (j) Engine Sublease Agreement in respect of Engine 894902 dated 13 September 2019 between the First Respondent and the Second Respondent.

This is and the following 2 pages are Annexure D referred to in the affidavit of Salvatore Algeri

Forms Manager
Form being prepared
Date/time: 23-06-2020 12:18:38
Reference Id: 141169605

Sworn on

Before me

Form 507

Corporations Act 2001

421A(1) & (2), 429(2)(b) & (c), 475(1) & (7), 497(6), 438B(2)

Report on Company Activities and Property

Liquidator details

Registered liquidator number

326810

This and the following 2 pages are Annexure B referred to in the affidavit of Salvatore Algeri

Registered liquidator name

RICHARD JOHN HUGHES

Company details

Sworn on

Company name

VB LEASECO PTY LTD

Before me

ACN

134 268 741

Report reason

This report was prepared under:

s438B(2) Appointment of administrator of company

Date when report was received

16-06-2020

Date the report on company activities and property is made up to

20-04-2020

Authentication

This form has been authenticated by

Name **RICHARD JOHN HUGHES**

This form has been submitted by

Name

Date

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Question A4

This is the annexure of 1 pages marked with * mentioned in Part A. Signed by: Garrett Mavall Dated: 1/6/2020

Amounts the Company owes to its employees (priority creditors)

EMPLOYEES NAME	WAGES OWED	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	REDUNDANCY OWED	OTHER	TOTAL OWED
Virgin Australia Pty Ltd Employees	9,711,135.38	35,206,588.10	49,980,788.94	782,289.10	1,385,234.03	97,066,035.54
Tiger Airways Australia Pty Ltd Employees	-	1,387,639.98	448,763.17	248,361.94	6,728.90	2,091,494.00
Virgin Tech Pty Ltd Employees	1,319,436.42	5,181,940.47	7,652,490.09	-	2,775.14	14,156,642.12
Virgin Australia Regional Airlines Pty Ltd Employees	472,626.89	5,920,260.31	7,206,834.18	165,661.14	347,377.26	14,112,759.77
	11,503,198.68	47,696,428.86	65,288,876.38	1,196,312.17	1,742,115.33	127,426,931.43

ROCAP VAH

Sum of AUD Row Labels	Column Labels								Grand Total
	A5.1 Aircraft Leases	A5.2 Debt & Interest	A5.3 Interco Loans	A5.4 Creditors & Accruals	A5.5 Hedge Counterparties	A5.6 Other Creditors	A5.7 Tax Balances	A5.8 Property & Other Leases	
VIRGIN AUSTRALIA AIRLINES HOLDINGS PTY LTD			4,375,429.18						4,375,429.18
Tiger Airways Australia Pty Limited	90,595,228.94		23,169,773.78	44,159,067.00				1,120,501.04	159,044,570.76
VB Leaseco Pty Ltd	1,443,556,057.71		138,058,690.48			723,099.17			1,582,337,847.36
Virgin Australia Airlines Pty Ltd	299,203,060.06	463,912,363.86	2,081,830,887.72	330,313,057.78	197,931,945.10	17,815,740.26	19,063,443.00	183,622,414.99	3,593,692,932.77
VIRGIN AUSTRALIA CARGO PTY LTD			23,008,263.99			7,158,128.79		77,593.67	30,243,986.45
Virgin Australia Holdings Limited		1,991,581,727.07	308,611.53						1,991,890,338.60
Virgin Australia Regional Airlines Pty Ltd	69,686,854.15		552,387.57	11,741,234.86				3,177,641.45	100,282,142.13
VIRGIN TECH PTY LTD			927.81			15,124,024.10			927.81
Grand Total	1,903,041,220.86	2,455,494,090.92	2,271,304,972.06	386,213,359.64	197,931,945.10	40,820,992.32	19,063,443.00	187,998,151.16	7,461,868,175.07