

Date: 18 December 1998

BERMUDA - COLOMBIA AGREEMENT

In the Territory of Bermuda, on 15 May, 1998, the Department of Civil Aviation of Bermuda (DCA) and the Unidad Administrativa Especial Aeronautical Civil of Colombia (UAEAC), acting on behalf of their respective Governments of Bermuda (UK) and Colombia, met to formalize the agreement contained in this document. This agreement has been developed based on Articles 33 and 83 bis of the Convention on International Civil Aviation and supersedes all previous agreements between DCA and UAEAC on this matter.

This agreement pertains to the transfer of responsibilities of the ICAO Annexes set out below between DCA and UAEAC and is limited to Airbus A320 and Aero International (Regional) ATR 42 aircraft on the Bermuda Register of Aircraft and Flight Crew and operated by Aerolineas Centrales de Colombia S.A. (ACES) (See list of aircraft at Schedule 1). In line with Chapter 10 of Document 8335 and Part VIII, Chapter 1 of Document 9642 issued by ICAO, it is necessary to establish the international obligations and responsibilities according to the Convention on International Civil Aviation, of Bermuda (State of Registry) and Colombia (State of the Operator). In accordance with Article 83 bis, the State of Registry may, by agreement with the State of the Operator, transfer to it, all or part of its functions and duties as State of Registry. The State of Registry shall be relieved of responsibility in respect of the functions and duties transferred.

In the case of Bermuda and Colombia, Bermuda transfers to Colombia the oversight and control of those relevant items contained in the following Annexes:

- Annex 1 Personnel Licensing for licenses issued or rendered valid by the State of Operator (Colombia)
- Annex 2 Rules of the Air
- Annex 6 Responsibilities contained in Annex 6 which are clearly the responsibility of the State of Operator do not need to be transferred. Where responsibilities in Annex 6 (particularly Chapters 5, 6 and 8) conflict with responsibilities in Annex 8, specific responsibilities are defined in Schedule 2.

DCA will retain responsibility under the Convention for the regulatory oversight and control of the following ICAO Annex:

- Annex 8 Airworthiness of Aircraft

Responsibility for notifying other States of the existence and contents of this agreement pursuant to Article 83 bis (b) rests with the State of Operator. This agreement, as well as any amendments to it, shall be registered with ICAO by the State of Registry or the State of the Operator in accordance with the Rules for Registration with ICAO of Aeronautical Agreements and Arrangements.

A certified true copy of this agreement should be placed on board each aircraft to which this agreement applies.

Under this agreement, the only responsibility related to airworthiness transferred to Colombia is the approval of line stations used by ACES located away from the Operator's main base. This is accepted by Colombia.

Schedule 2 to this agreement describes the responsibilities of the two States related to airworthiness.

The procedures related to airworthiness that follow will be contained in the ACES General Procedures Manual (GPM).

Meetings between DCA and UAEAC and other interested parties upon request will occur at *three month intervals* initially to discuss both operations and airworthiness matters resulting from inspections that have been conducted by DCA and UAEAC inspectors. These meetings will take place in Bogota, Miami or Bermuda with the intention of resolving any discrepancies found as a result of the inspections and in order to ensure that all parties are fully informed about the ACES operation. The DCA will be permitted access to UAEAC documentation concerning ACES in order to verify that UAEAC is fulfilling its safety oversight obligations as transferred from Bermuda. The following subjects will be among those reviewed during these meetings:

- Flight operations
- Continuing airworthiness and aircraft maintenance
- Any other significant matters arising from inspections
- GPM procedures if applicable

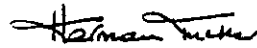
This agreement is accepted and signed by the Directors of the Civil Aviation of Bermuda and Colombia on 18 December, 1998.

By Colombia:

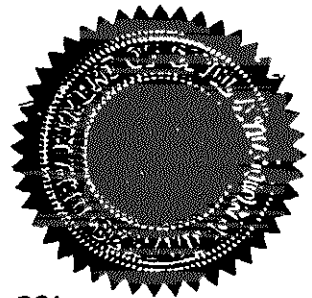


Mr. Ernesto Huertas
Director General of Civil Aviation, UAEAC

By Bermuda:



Mr. Herman G. Tucker
Director of Civil Aviation, DCA



SCHEDULE 1 - AIRCRAFT AFFECTED BY THIS AGREEMENT AS OF
OCTOBER 18 th, 1998

AIRCRAFT TYPE	REGISTRATION	SERIAL NUMBER
ATR 42	VP-BOG	333
ATR 42	VP-BNH	296
A320	VP-BVA	739
<i>b</i> A320	VP-BVB	743
A320	VP-BVC	839
A320	VP-BVD	892

SCHEDULE 2 — RESPONSIBILITIES OF BERMUDA AND COLOMBIA RELATED TO AIRWORTHINESS

ICAO Reference	Subject	Responsibilities of the State of Registry (Bermuda)	Responsibilities of the State of the Operator (Colombia)
Annex 8 Part II, No. 4 Doc. 9842, Part II, Ch. 1 & Ch. 8 No. 6.1.2	Continuing airworthiness of aircraft	Develop or adopt requirements to ensure the continued airworthiness of the aircraft during its service life This requirement also covers the maintenance requirements of Annex 6 mentioned below	
Annex 8, Part II, Nos. 4.2.3, 4.2.4, 4.2.5 Doc. 9842, Part VI, Ch. 1	Communication with the State of Design	Communicate with State of Design	
Annex 8, Part II, No. 5 Doc. 9842, Part IV, Ch. 3	Validity & renewal of Certificate of Airworthiness (C of A)	Issue C of A	
Annex 8, Part II, No. 6.2	Damage to aircraft	Determine the condition of airworthiness of the aircraft	
Annex 6, Part I, Ch. 5.2.3	Operation of aircraft in compliance with its Certificate of Airworthiness		Assume responsibility of State of Registry as defined in 5.2.4 of Chapter 5 of Annex 6
Annex 6, Part I, Ch. 8.1.1 to 8.1.5 inc.	Operator's Maintenance Responsibilities		Ensure the responsibilities are contained in the GPM and approve the GPM
Annex 6, Part I, Ch. 8.2.1 to 8.2.4 inc.	Operator's Maintenance Control Manual		Ensure the guidance is contained in the GPM and approve the GPM
Annex 6, Part I, Ch. 8.3.1 and 8.3.2	Maintenance Programme	Approval of Operator's Maintenance Programme	Ensure the Maintenance Programme responsibilities and development procedures are contained in the GPM and approve the GPM
Annex 6, Part I, Ch. 8.4.1 to 8.4.3 inc.	Maintenance Records	Inspect maintenance records and documents every six months	Inspect in accordance with the requirements of the Air Operator's Certificate
Annex 6, Part I, Ch. 8.5.1 and 8.5.2	Continuing Airworthiness Information	Ensure that Bermuda Airworthiness Requirements are understood by the operator	Ensure the Requirements of Colombia are complied with
Annex 6, Part I, Ch. 8.6 Doc. 9842, App. A of Part VIII, No. 3.7	Modifications and Repairs	Ensure these are approved by the State of Design/Manufacturer	Ensure the Requirements are contained in the GPM and approve the GPM
Annex 6, Part I, Ch. 8.7.1 to 8.7.2 inc.	Approved Maintenance Organisation	Approval of Operator's Base Maintenance Organisation and Procedures for Ch. 8.7.1 to 8.7.2 inc.	Approval of Operator's line maintenance arrangements away from main base Ensure the procedures are contained in the GPM and approve the GPM
Annex 6, Part I, Ch. 4.2.1 and Attachment F. Doc. 8335, Ch. 1, No. 1.2.6	The Air Operator Certificate		Issue Air Operator Certificate