AGREEMENT

BETWEEN

THE GOVERNMENT OF CANADA

AND

THE GOVERNMENT OF THE REPUBLIC OF KOREA ON THE PRODUCTION OF THE BELL HELICOPTER TEXTRON CANADA MODEL 427 HELICOPTER

THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA, hereinafter referred to as "the Parties",

CONSIDERING that:

- Bell Helicopter Textron Canada and Korean Aerospace Industries have agreed on a business arrangement to produce the Model 427 helicopter in the Republic of Korea and its subsequent distribution;
- Bell Helicopter Textron Canada is the holder of the Canadian Department of Transport Type Certificate no. H-103 for the Model 427 helicopter;
- Bell Helicopter Textron Canada is an approved manufacturer in Canada under the Department of Transport Approved Organization Certificate no. 31-92, which has been extended to include the Bell Helicopter Textron Canada facilities located at Korean Aerospace Industries in the Republic of Korea;
- Canada is the State of Design and the State of Manufacture for the Model 427
 helicopter and, has to discharge its responsibilities under the Canadian Aviation
 Regulations and, fulfill its international obligations under Annex 8, Airworthiness of
 Aircraft, to the Convention on International Civil Aviation;
- In Canada, the regulatory functions for the airworthiness oversight, certification and
 production of civil aeronautical products is the sole responsibility of the Minister of
 Transport, as performed by Transport Canada Civil Aviation of the Department of
 Transport;
- In the Republic of Korea, the regulatory functions for the airworthiness certification is
 the responsibility of the Minister of Construction and Transportation, as performed by
 the Civil Aviation Bureau of the Ministry of Construction and Transportation, while
 the regulatory functions for performance and quality inspection are the responsibility
 of the Minister of Commerce, Industry and Energy;

HAVE AGREED to provide for the oversight of the production and for the airworthiness approval of the Model 427 helicopter in the Republic of Korea, as follows: