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JOHN W. THORNTON, JR.  
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Criminal Trial & Appellate Practice  
in State & Federal Courts

July 28, 1999

**VIA FACSIMILE (202) 331-0599 and US MAIL**

Lawrence D. Wasko, Esq.  
Suite 900  
1150 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Re: In the matter of the applications of Aero Continente, S.A.C.

Dear Mr. Wasko:

Pursuant to your request for a current assessment of the status of Aero Continente, S.A.C. in relation to any criminal investigation, please be advised that since I last corresponded with you, absolutely nothing has occurred that in any way tends to implicate the company in criminal conduct, past or present. Therefore, it is beyond cavil that Aero Continente, S.A.C. is not under any cloud of suspicion and will not be prosecuted by governmental authorities, either in this country or in Peru.

Please advise if you need additional information.

Very truly yours,

THORNTON & ROTHMAN, P.A.

By:

  
DAVID ROTHMAN

DR/atg

Thornton & Rothman, P. A.

Attorneys at Law

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October 1, 1998

**VIA FACSIMILE (202) 331-0599 and US MAIL**

Lawrence D. Wasko, Esq.  
Suite 900  
1150 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Re: In the matter of the applications of Aero Continente, S.A.C.

Dear Mr. Wasko:

I am writing to answer your question regarding the status of any criminal prosecution against the company, Aero Continente, S.A.C. Based on my representation of Fernando Zevallos since 1995 for alleged criminal conduct, I can assure you that the company was not, is not now and, according to the reports of the Peruvian investigators I have reviewed, will never be charged or indicted by the Peruvian authorities.

Additionally, I have reviewed the professionally translated statement of the prosecutor at hearings held in Lima, Peru, in which the government's own attorney stated that there is no evidence that Aero Continente was involved in, or funded by, any illegal activity.

I hope I have answered your question. If not, please let me know.

Very truly yours,

THORNTON & ROTHMAN, P.A.

By:

  
DAVID ROTHMAN

DR/atg

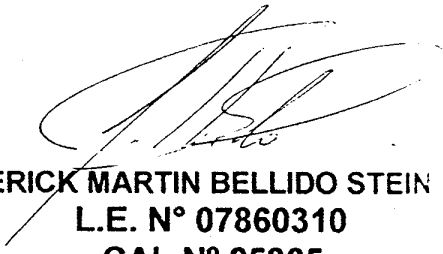
**DECLARACION JURADA**

Yo, **ERICK MARTIN BELLIDO STEIN**, Abogado, con Registro del Ilustre Colegio de Abogados de Lima N° 25865, identificado con Libreta Electoral N° 07860310, con domicilio legal en Avenida José Pardo 651, Miraflores, declaro bajo juramento:

Que AERO CONTINENTE S.A. a la fecha no tiene, ni ha tenido nunca, ningún Proceso Criminal o Penal ante las Cortes de la República del Perú, ni ha estado ni está sujeta a investigación en relación con el delito de narcotráfico o cualquier otro; y

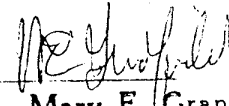
Que AERO CONTINENTE S. A. es una empresa aérea DESIGNADA por el Gobierno Peruano, para prestar servicio de transporte aéreo nacional e internacional de pasajeros, carga y correo, por haber acreditado capacidad Técnica, Legal y Económica conforme a la legislación nacional e internacional vigente.

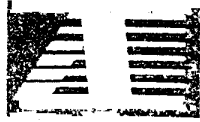
Lima, 27 de julio de 1999

X   
**ERICK MARTIN BELLIDO STEIN**  
**L.E. N° 07860310**  
**CAL N° 25865**

Republic of Perú )  
Province and City of Lima )  
Embassy of the ) 33:  
United States of America )

SUBSCRIBED AND SWORN TO BEFORE ME THIS 27th DAY OF JULY 1999, A. D.

  
**Mary E. Grandfield**  
Consul of the  
United States of America



*Action Translation Services, Inc.*  
*for all your translation needs*

### SWORN STATEMENT

I, **ERICK MARTIN BELLIDO STEIN**, Attorney-at-Law, holder of License # 25865 issued by the Distinguished Bar Association of Lima, and Electoral Card # 07860310, with legal domicile at Avenida José Pardo 651, Miraflores, state under oath:

That AERO CONTINENTE S.A. to date this is not, nor has ever been, involved in any Criminal or Penal Proceedings before the Courts of the Republic of Peru, nor is or has been subject to any investigation in connection to drug trafficking or other crimes whatsoever; and

That AERO CONTINENTE S.A. is an airline APPOINTED by the Peruvian Government, to render domestic and international passenger, cargo and mail air transportation services, after accrediting its Technical, Legal and Economic skills pursuant to the national and international laws in force.

Lima, July 27, 1999

Signed/ (Illegible)

**ERICK MARTIN BELLIDO STEIN**

I.D. # 07860310

Bar Association License #: 25865


**TRANSLATOR'S NOTE:** The above-mentioned was subscribed and sworn to before the Consul of the United States, as stated in English below.



Action Translation Services, Inc.  
For all your translation needs

STATE OF FLORIDA     )  
  ) SS  
COUNTY OF DADE     )

BEFORE ME, A NOTARY PUBLIC IN AND FOR THE STATE OF FLORIDA AT  
LARGE, PERSONALLY APPEARS Ida Alvarez, President of Action Translation  
Services, Inc., PERSONALLY KNOWN TO ME, WHO, AFTER BEING DULY SWORN,  
DEPOSES AND SAYS THAT SHE HAS PERFORMED THIS TRANSLATION OF  
SWORN STATEMENT OF ERICK M. B. STEIN     FROM  
SPANISH     INTO ENGLISH     , AND THAT SHE HAS DONE  
THIS TRANSLATION TO THE BEST OF HER ABILITY. THE SOURCE DOCUMENT  
CONSISTING OF 1 PAGE(S), AND THE TRANSLATION CONSISTING  
OF 1 PAGE(S); THIS CERTIFICATION BEING ATTACHED THERETO.

  
IDA ALVAREZ

SWORN TO AND SUBSCRIBED THIS 28 DAY OF JULY , A.D., 1999.

  
NOTARY PUBLIC, STATE OF FLORIDA  
AT LARGE

MY COMMISSION EXPIRES:

ADRIANA N. CAZES NASIF QUI  
Notary Public - State of Florida  
My Commission Expires May 5, 2003  
Commission # CC 833454

MINISTRY OF TRANSPORTATION, COMMUNICATIONS,  
HOUSING AND CONSTRUCTION

Lima, June 23, 1999

Written Communication No. 0547 - 99 - MTCMS.16

Lupe M. Zevallos Gonzales  
President of the Office of  
Aero Continente, S.A.  
Avenue José Pardo No. 651, Miraflores

Re: Directorial Resolution No. 106-99-MTC-15.16

It is my pleasure to write to you to attach an authenticated copy of the above referenced document. This document, for your knowledge and use, modifies the Operations Permit for Regular International Air Transport Services for passengers, cargo and mail.

I take this opportunity to express my sincerest good wishes to you.

Truly yours,

CARLOS NUÑEZ BARRIGA  
Vice Minister of Transportation  
General Director of Air Transportation

Communications.

FAITHFUL COPY OF THE ORIGINAL  
Ministry of Transportation,  
Housing and Construction  
Director General of Air Transport

JUAN GUILLERMO ROSALES CUBA  
Reg. No. 200 Date June 23, 1999

*Directorial Resolution* No. 106-99-MTC-15.16

Lima, June 23, 1999

Having seen the request by AERO CONTINENTE S.A. regarding the modification of the Operations Permit for Regular International Air Transport Services for passengers, cargo and mail:

CONSIDERING:

That according to Directorial Resolution No 072-98-MTC/15.16 of June 12, 1998, AERO CONTINENTE S.A. was granted according to and in the application of the Agreement on Air Transport Services entered into between the Republic of Peru and the United States of America, according to Article 1 of Law No. [UNDECIPHERABLE] Aeronautical Civil Law, the Operations Permit for Regular International Air Transport Services for passengers, cargo and mail, for a period of five (5) years.

That AERO CONTINENTE S.A. in the present proceedings for a Modification Operations Permit, requests that the routes, frequencies and equipment that had been currently granted be increased.

That according to the terms and provisions of Memorandum No. 0715-98-MTC/15.16.02 and Memorandum No. 0158-99-MTC/15.16 issued by the Office of Legal Advisory, Memorandum No. 081-99-MTC/15.16 issued by the Assistant Management of Operations, Memorandum No. 205-99-MTC/15.16.5.03 issued by the Security Flight Office and Aeronautic Personnel, respectively; it be considered appropriate to respond to the request according to the requirements established by Law No. 24882 - Civil Aeronautic Law, modified by Legislative Decree No. 870, its regulations Law No. 28917 and other legal devices in effect

That the EMPRESA DE TRANSPORTE AEREO DEL PERU, S.A. - AEROPERU, has filed oppositions to the Operations Permit for Regular International Air Transport Services for passengers, cargo and mail requested by AERO CONTINENTE S.A., opposition which should be declared groundless there being no [UNDECIPHERABLE] substantial aspects for the concession or denial of the request; in effect, the Stability Agreement and its Addenda subscribed to by the Peruvian State and the EMPRESA DE

TRANSPORTE AEREO DEL PERU S.A. - AEROPERU were currently honored by the Civil Aeronautic Authorities at the time that International Operations Permits were granted.

That, in like manner, the appeal filled by EMPRESA DE TRANSPORTE AEREO DEL PERU S.A. against Directorial Resolution No. 111-9888-MTC/15.16 of August 16, 1998, which declared that the aero-comercial rights of the above mentioned corporation that had lost on the date of its issuance; were resolved by means of Vice Ministerial Resolution No. 034-99-MT/15.02 of February 17, 1999, concluding with the corresponding administrative procedures.

That without prejudice to the aforementioned, it is essential to mention the arguments contained in the expressed opposition, with respect to the non-use of the rights granted by means of Directorial Resolution No. 072-98-MTC/15.18 on the part of AERO CONTINENTE S.A.; that said situation has taken place based on a fact not pertinent to the request, and that each time the corresponding request from AERO CONTINENTE S.A. to the Department of Transportation of the United States (DOT) to carry out operations to the said country has not been resolved, therefore it has not been possible to initiate operations.

That in accordance with the provisions of Law No. 24882 - Civil Aeronautic Law, modified by Legislative Decree No. 870; its Rules, Aeronautic Regulations of Peru, Law No. [Undecipherable], additional legal dispositions in effect, the corresponding Bilateral or Multilateral Agreements applicable in each specific case, or based on the Principle of Reciprocity as it applies, with the favorable opinions of the legally qualified areas;

IT IS RESOLVED:

ARTICLE 1 - To modify Article 1 as necessary, of Directorial Resolution NO. 072-98-MTC/15.16 that granted to AERO CONTINENTE S.A. the Operations Permit for Regular International Air Transport Services for passengers, cargo and mail, to read as follows:

AERONAUTICAL EQUIPMENT:

FOKKER 26-MK 1000  
BOEING 727-100  
BOEING 737-100  
BOEING 737-200  
LOCKHEED L -1011-100

ROUTES, FREQUENCIES AND RIGHTS:

A) TO THE UNITED STATES OF AMERICA:

FAITHFUL COPY OF THE ORIGINAL  
Ministry of Transportation, Communications,  
Housing and Construction  
Director General of Air Transport

JUAN GUILLERMO ROSALES CUBA  
Reg. No. 200 Date June 23, 1999

*Directorial Resolution* No. 106-99-MTC-15.16

According to that which is stated in Paragraph 8 of Section 1 of Annex 1 of the "Air Transport Agreement" entered into between the Government of Peru and the Government of the United States of America, the following is recognized:

LIMA - MIAMI and w., via intermediate points, with fourteen (14) weekly frequencies, with third, fourth, and fifth traffic rights of Open Skies. [Libertad del Aire].

B) CENTRAL AND SOUTH AMERICA

1. According to Decision 297 modified by Decision 360 of the Cartagena Agreement Commission, the final minutes of the Consulting Meeting of Aeronautic Authorities from the Republics of Peru and Panama, accordingly grants:

Third and fourth traffic rights of Open Skies:

LIMA and/or ILO and/or LA PAZ and w., with seven (7) weekly frequencies  
LIMA and/or CUZCO and/or LA PAZ and w., with seven (7) weekly frequencies  
LIMA - QUITO and w., with seven (7) weekly frequencies  
LIMA - GUAYAQUIL and w., with seven (7) weekly frequencies  
LIMA - CALI and w., with seven (7) weekly frequencies  
LIMA - BOGOTÁ and w., with seven (7) weekly frequencies  
LIMA - CARACAS and w., with seven (7) weekly frequencies  
LIMA - PANAMA and w., with seven (7) weekly frequencies

Third, fourth and fifth traffic rights of Open Skies:

LIMA and/or QUITO and/or GUAYZUIL and/or CALI and/or BOGOTÁ, and/or PANAMA and/or CARACAS and w., with seven (7) weekly frequencies

2. ARGENTINA according to the VI Consulting Meeting of Aeronautic Authorities from the Republics of Argentina and the Republic of Panama Act:

LIMA and/or AREQUIPA and/or CUZCO and/or TACNA and/or SALTA and/or JUJUY and/or CORDOVA and/or MENDOZA and/or BUENOS AIRES and w., with three (3) weekly frequencies, with third and fourth traffic rights of Open Skies.

3. BRAZIL according to the Air Transport Agreement on Air Transport entered into between the United States of Brazil and the Government of Peru in the IX Consulting Meeting between Aeronautic Authorities of Peru and Brazil Act:

LIMA – SAO PAULO and/or RIO DE JANEIRO and w., with one (1) weekly frequency with third and fourth traffic rights of Open Sky.

4. CHILE according to Ministerial Resolution No. 149-98-MTC 15.01 of March 13, 1998 and the Directorial Resolution No. 025-98-MTC/15.16 of March 16, 1998:

LIMA and/or AREQUIPA and/or CUZCO and/or TACNA and/or ARICA and/or IQUIQUE and/or SANTIAGO DE CHILE and w., with seven (7) weekly frequencies with third and fourth traffic rights of Open Skies:

5. MEXICO according to the agreement on Air Transport between the Government of the Republic of Peru and the Government of the United States of Mexico and under the Principle of Reciprocity:

LIMA – MEXICO and w., with seven (7) weekly frequencies  
LIMA – CANCÚN and w., with seven (7) weekly frequencies

ARTICLE 2 –AERO CONTINENTE S.A. aircraft shall be permitted to operate in the airfields and/or airports whose altitudes are included within their performance tables, and approved by the manufacturer and the corresponding authorities.

ARTICLE 3 – Declares that the opposition presented by the EMPRESA DE TRANSPORTE AÉREO DEL PERU S.A. – AEROPERÚ, is GROUNDLESS based on the reasons described within the considerations of the present Resolution.

ARTICLE 4 - The remaining terms of Directorial Resolution No. 072-98-MTC/15.16 of June 12, 1998 remain in effect.

Register, make known, and publish.

CARLOS NUNEZ SARRIGA  
[Undecipherable] Minister of Transportation and  
[Undecipherable] General of Air Transport

REPUBLIC OF PERU

GENERAL AIR TRANSPORT OFFICE

CERTIFICATE OF ALLOCATION OF AERO-COMERCIAL RIGHTS

It is hereby certified that the corporation

AERO CONTINENTE S.A.

Has the authority for Regular International Air Transport Services for passengers, cargo and mail, as follows:

THIRD AND FOURTH TRAFFIC RIGHTS AND FIFTH OPEN SKIES:

LIMA-MIAMI and w., via intermediate points, with fourteen (14) weekly frequencies.

The present certificate is non-transferable and shall remain in effect unless waived by the holder, or suspension or revocation by this General Office.

Engineer: CARLOS NUÑEZ BARRIGA  
Vice Minister of Transportation and  
General Director of Air Transportation

Issued on the 6th of July, 1999 – Lima, Peru