

**EL DORADO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL
Meeting of February 13, 2007**

AGENDA TITLE: Amendment II to Agreement #088-L0410 with Epic Aviation, LLC dba Air BP Aviation Services for rental of refueling equipment

DEPARTMENT: General Services

DEPT SIGNED OFF:

CAO USE ONLY:

CONTACT: Jordan Postlewait

DATE: 1/18/2007

PHONE: 5330

DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION: Retroactive as to term

The Department of General Services recommends that the Board:

1. Provide retroactive approval of Amendment II for Lease of Personal Property #088-L0410 with Epic Aviation, LLC dba Air BP Aviation Services for rental of refueling equipment, which, extends the contract period for a period of twelve (12) months, reflecting a term of July 28, 2003, through December 15, 2007; and
2. Increases the contract amount by \$9,740 for a not-to-exceed amount of \$42,950; and
3. Authorize Chairman to execute said Amendment II.

Procurement & Contracts will issue a request for bids for this equipment with requested Board action prior to the expiration of this rental agreement

CAO RECOMMENDATIONS: Recommend approval. Jean A Gill 2/1/07

Financial impact? Yes () No

Funding Source: () Gen Fund Other

BUDGET SUMMARY:

Other: Airport Enterprise Fund

Total Est. Cost	\$42,950.00
Funding	
Budgeted	\$33,210.00
New Funding	
Savings	
Other	\$9,740.00
Total Funding	\$42,950.00
Change in Net County Cost	

CAO Office Use Only:

- 4/5's Vote Required () Yes (No)
 Change in Policy () Yes (No)
 New Personnel () Yes (No)

CONCURRENCES:

- Risk Management
 County Counsel
 Other _____

***Explain**

BOARD ACTIONS:

Vote: Unanimous _____ Or _____

Ayes:

Noes:

Abstentions:

Absent:

Rev. 04/05

I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors

Date: _____

Attest: Cindy Keck, Board of Supervisors Clerk

By: _____



The County of El Dorado

Department of General Services

Joanne M. Narloch, Director

Airports Parks and Grounds Division

Jordan Postlewait, Manager

(530) 621-5684

January 23, 2007

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Re: Amendment II to Agreement #088-L0410 with Epic Aviation, LLC dba Air BP Aviation Services for rental of refueling equipment

Dear Board Members:

Recommendation:

The Department of General Services recommends that the Board:

1. Provide retroactive approval of Amendment II for Lease of Personal Property #088-L0410 with Epic Aviation, LLC dba Air BP Aviation Services for rental of refueling equipment, which, extends the contract period for a period of twelve (12) months, reflecting a term of July 28, 2003, through December 15, 2007; and
2. Increases the contract amount by \$9,740 for a not-to-exceed amount of \$42,950; and
3. Authorize Chairman to execute said Amendment II.

Reason for Recommendation:

The refueling equipment, identified within this rental agreement, provides specialized aviation grade jet fuel, at both the Placerville and Georgetown Airports. It is more cost effective to secure equipment, on a rental basis, for use by the staff of General Service, Airports Division, for refueling of Aircrafts, than to purchase the equipment. Epic Aviation, LLC dba Air BP Aviation Services was engaged by the County on July 28, 2003, to provide rental equipment for the General Services Department through July 27, 2006. Amendment I allowed for an additional six months of equipment rentals, through December 15, 2006. Amendment II will allow for an additional 12 months of equipment rental through December 15, 2007 and will establish a not-to-exceed of amount \$42,950.

The County Officer or Employee with responsibility for administering Agreement Amendment II is Jordan Postlewait, Airports, Parks and Grounds Manager, General Services Department or designee.

Fiscal Impact:

There are sufficient appropriations in the General Services Airports, Parks and Grounds FY 2006/07 Budget to fund this Amendment.

Action to be Taken Following Approval:

Board Clerk's office will forward executed Agreement Amendment II documents to General Services for distribution, encumbrance, and administration.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Joanne M. Narloch', with the initials 'JMN' written to the right of the signature.

Joanne M. Narloch
Director of General Services

JMN: jlp

RUSH

Contract #: 088-L0410, AMD II

CONTRACT ROUTING SHEET

Date Prepared: 11/30/06

Need Date: Dept. needs for BOS approval ASAP. Thank you!

PROCESSING DEPARTMENT:

Department: CAO/Proc. & Contracts
Dept. Contact: Pam Carlone
Phone #: 5833
Department Head Signature: Bonnie H. Rich

CONTRACTOR:

Name: Air BP Aviation Services
Address: P.O. Box 12249
Salem, OR 97302
Phone: 800-616-2030

2006 NOV 30 AM 10:00
EL DORADO COUNTY COUNSEL
David Williams

CONTRACTING DEPARTMENT:

General Services

Service Requested: Lease for Refueler Truck @ Placerville Airport

Contract Term: Expires 12/15/07 Amendment Value: \$9,740.00

Compliance with Human Resources requirements? Yes: No:

Compliance verified by:

COUNTY COUNSEL: (Must approve all contracts and MOU's)

Approved: X Disapproved: Date: 12-6-06 By: RC Snydell
Approved: Disapproved: Date: By:

ASSIGNMENT
DATE 12/01/06
ATTORNEY Rebecca S
DEPT./INDEX NO. 021100
BY: [Signature]

PLEASE FORWARD TO RISK MANAGEMENT. THANKS!

RISK MANAGEMENT: (All contracts and MOU's except boilerplate grant funding agr)

Approved: ✓ Disapproved: Date: 12/7/06 By:
Approved: Disapproved: Date: By:

OTHER APPROVAL: (Specify department(s) participating or directly affected by this contract).

Departments:
Approved: Disapproved: Date: By:
Approved: Disapproved: Date: By:

ORIGINAL

AMENDMENT II LEASE OF PERSONAL PROPERTY #088-L0410

This Amendment II to that Lease of Personal Property #088-L0410, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "Lessee" and/or "County"), and Epic Aviation, LLC dba Air BP Aviation Services, (hereinafter referred to as "Lessor"), duly qualified to conduct business in the State of California, whose principal place of business is 1790 16th Street, (Mailing: P.O. Box 12249), Salem, OR 97302;

WITNESSETH

WHEREAS, County has been leasing property described as a 1999 FordAvjet Refueler, Unit No. R-30006, VIN 1FDAF56FXXEA007770, with 1200 gallon tank capacity, from Lessor in accordance with Lease of Personal Property #088-L0410, dated March 1, 2004, and Amendment I dated September 19, 2006, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to extend the term of said Lease for one (1) additional year, hereby amending **ARTICLE 2: Term of Lease** and **ARTICLE 3: Payments by Lessee**.

NOW THEREFORE, the parties do hereby agree that the Lease of Personal Property #088-L0410 shall be amended a second time as follows:

ARTICLE 2: TERM OF LEASE

Term

2.01 This Lease, as amended, shall become effective when fully executed by both parties hereto and shall cover the period of July 28, 2003 through December 15, 2007.

ARTICLE 3: PAYMENTS BY LESSEE

Rental Payments

3.01. The amount of monthly rental payments shall be \$809.74 for the period of July 28, 2003 through July 27, 2006; and \$811.65 for the period of July 27, 2006 through December 15, 2007. The total amount of rental payments under this Section 3.01, as amended, shall not exceed \$42,950.00. Lessee will make rental payments at Lessor's address as set for the above or at any other place that may be designated Lessor or its assignees (upon notice to Lessee in accordance with this Lease). All rental payments are due and payable in advance on the 1st day of each month beginning after the execution of this Lease and during the term of this Lease. Partial months shall be prorated on a daily basis.


3.02. Lessor shall be permitted to increase said rental while Lease is in effect by giving Lessee at least sixty (60) days advance written notice of the effective date of said increased rental. In the event of a noticed increase in the rental, Lessee shall have the right to terminate this Lease on the effective date of said increase by giving Lessor a minimum of thirty (30) days prior written notice of its intention to terminate on said effective date.

Except as herein amended, all other parts and sections of that Lease of Personal Property #088-L0410 shall remain unchanged and in full force and effect.

Requesting Contract Administrator Concurrence:

By:  Dated: 12/12/06
Jordan Postlewait, Airports, Parks and Grounds Manager
General Services Department

Requesting Department Head Concurrence:

By:  Dated: DEC 14 2006
Joanne M. Narloch, Director
General Services Department

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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to that Lease of Personal Property #088-L0410 the day and year first below written.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

Chairman
Board of Supervisors
"County"/"Lessor"

ATTEST:
Cindy Keck, Clerk
of the Board of Supervisors

By: _____ Date: _____
Deputy Clerk

-- LESSOR --

Dated: 1-5-2007

EPIC AVIATION, LLC dba
AIR BP AVIATION SERVICES

By:  _____
Mike Delk
President
"Lessor"

By:  _____
Corporate Secretary

Dated: 1-5-2007

COPY



AMENDMENT I
LEASE OF PERSONAL PROPERTY #088-L0410

This Amendment I to that Lease of Personal Property #088-L0410, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "Lessee" and/or "County"), and Epic Aviation, LLC dba Air BP Aviation Services, (hereinafter referred to as "Lessor"), duly qualified to conduct business in the State of California, whose principal place of business is 1790 16th Street, (Mailing: P.O. Box 12249), Salem, OR 97302;

WITNESSETH

WHEREAS, County has been leasing property described as a 1999 FordAvjet Refueler, Unit No. R-30006, VIN 1FDAF56FXXEAA007770, with 1200 gallon tank capacity, from Lessor in accordance with Lease of Personal Property #088-L0410, dated March 1, 2004, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to extend the term of said Lease for five (5) additional months, hereby amending **ARTICLE 2: Term of Lease** and **ARTICLE 3: Payments by Lessee**; and

WHEREAS, the parties hereto have mutually agreed to amend **ARTICLE 16: Notices** and **ARTICLE 21: Administrator**.

NOW THEREFORE, the parties do hereby agree that the Lease of Personal Property #088-L0410 shall be amended a first time as follows:

ARTICLE 2: TERM OF LEASE

Term

2.01 This Lease, as amended, shall become effective when fully executed by both parties hereto and shall cover the period of July 28, 2003 through December 15, 2006.

ARTICLE 3: PAYMENTS BY LESSEE

Rental Payments

3.01. The amount of monthly rental payments shall be \$809.74 for the period of July 28, 2003 through July 27, 2006; and \$811.65 for the period of July 27, 2006 through December 15, 2006. The total amount of rental payments under this Section 3.01, as amended, shall not exceed \$33,210.00. Lessee will make rental payments at Lessor's address as set for the above or at any other place that may be designated Lessor or its assignees (upon notice to Lessee in accordance with this Lease). All rental payments are due and payable in advance on the 1st day of each month beginning after the execution of this Lease and during the term of this Lease. Partial months shall be prorated on a daily basis.

3.02. Lessor shall be permitted to increase said rental while Lease is in effect by giving Lessee at least sixty (60) days advance written notice of the effective date of said increased rental. In the event of a noticed increase in the rental, Lessee shall have the right to terminate this Lease on the effective date of said increase by giving Lessor a minimum of thirty (30) days prior written notice of its intention to terminate on said effective date.

ARTICLE 16: NOTICES

Service of Notice

16.01. Except as otherwise expressly provided bylaw, any notices or other communications required or permitted by this Lease or by law to be served on or given to either party by the other party will be in writing and will be deemed duly served or given when personally delivered to (any member of or the designated agent of) the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Lessee at the following address:

El Dorado County
General Services Department
Attn: Joanne M. Narloch, Director
360 Fair Lane (Mailing Address)
345 Fair Lane (Physical Address)
Placerville, CA 95667

or to Lessor at the following address:

Air BP Aviation Services
P.O. Box 12249 (Mailing)
1790 16th Street, SE (Physical)
Salem, OR 97302

Either party may change its address for the purpose of this Paragraph by given written notice of the change to the other party in the manner provided in this Paragraph.

ARTICLE 21: ADMINISTRATOR

21.01. The County Officer or employee with responsibility for administering this Lease shall be Jordan Postlewait, Airports, Parks and Grounds Manager, General Services Department, or his successor.

Except as herein amended, all other parts and sections of that Lease of Personal Property #088-L0410 shall remain unchanged and in full force and effect.

Requesting Contract Administrator Concurrence:

By:  Dated: 8-9-06
Jordan Postlewait, Airports, Parks and Grounds Manager
General Services Department

Requesting Department Head Concurrence:

By:  for Dated: 8/9/06
Joanne M. Narloch, Director
General Services Department

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to that Lease of Personal Property #088-L0410 the day and year first below written.

--- COUNTY OF EL DORADO ---

Dated: 7-17-06

By: James R Sweeney
Chairman
Board of Supervisors
"County"/"Lessor"

ATTEST:
Cindy Keck, Clerk
of the Board of Supervisors

By: [Signature] Date: 7-19-06
Deputy Clerk

-- LESSOR --

Dated: 8-23-2006

EPIC AVIATION, LLC dba
AIR BP AVIATION SERVICES

By: [Signature]
Mike Delk
President
"Lessor"

By: [Signature]
Corporate Secretary

Dated: 8-23-06

COPY

LEASE OF PERSONAL PROPERTY #088-L0410

Epic Aviation, LLC dba Air BP Aviation Services, (Lessor), located at 1790 16th Street, SE, (Mailing: P. O. Box 12249), Salem, Oregon 97302 leases to COUNTRY OF EL DORADO (Lessee and/or County), 3501 Airport Road, Placerville, California, 95667, aviation refueling truck (the "property" or the "refueling equipment"), on following terms and conditions:

ARTICLE 1: DESCRIPTION OF EQUIPMENT LEASED

Property Description

1.01. The property to be leased is a 1999 FordAvjet Refueler, Unit No. R-30006, VIN 1FDAF56FXXEAA007770, with 1200 gallon tank capacity.

ARTICLE 2: TERM OF LEASE

Term

2.01 The term of this Lease is for three (3) years, commencing on July 28, 2003 through July 27, 2006.

ARTICLE 3: PAYMENTS BY LESSEE

Rental Payments

3.01. The amount of monthly rental payments is \$809.74. The total amount of rental payments under this Section 3.01 shall not exceed \$29,151.00. Lessee will make rental payments at Lessor's address as set for the above or at any other place that may be designated Lessor or its assignees (upon notice to Lessee in accordance with this Lease). All rental payments are due and payable in advance on the 1st day of each month beginning after the execution of this Lease and during the term of this Lease.

3.02. Lessor shall be permitted to increase said rental while Lease is in effect by giving Lessee at least sixty (60) days advance written notice of the effective date of said increased rental. In the event of a noticed increase in the rental, Lessee shall have the right to terminate this Lease on the effective date of said increase by giving Lessor a minimum of thirty (30) days prior written notice of its intention to terminate on said effective date.

ARTICLE 4: OWNERSHIP

No Sale or Security Interest Intended

4.01 This Lease constitutes a lease or bailment of the property described and is not a sale or the creation of a security interest. Lessee will not have, or at any time acquire, any right, titled, or interest in the property, except the right to possession and use as provided for in this Lease. Property shall be used solely by Lessee for handling the aviation fuel supplied Lessee by Lessor. Said refueling equipment shall not be removed from the Placerville Airport location without the prior written consent of Lessor. Lessor will at all times be the sole owner of the property. **THE REFUELING EQUIPMENT LEASED HEREUNDER IS LEASED "AS IS"**

WITHOUT WARRANTY AS TO MERCHANTABILITY, CONDITION OR FITNESS FOR ANY PARTICULAR PURPOSE.

ARTICLE 5: MAINTENANCE AND OPERATING EXPENSES

5.01 Lessee shall, at Lessee's expense, maintain the property at all times in good, safe, and efficient operating condition, and to that end shall maintain equipment in accordance with the attached Exhibit "A", marked "Lessee Responsibilities," incorporated herein, and made by reference a part hereof. Lessee shall not make any alterations to, additions to or removals from the property or Lessor identification and lettering thereon. Lessor shall have the right at any time to inspect, repair, and replace property, and, for such purpose, to enter any premises where the property is located. Lessee shall give Lessor prompt notice, prior to work being done, of any maintenance or repair which Lessor is not obligated to make hereunder, but which Lessee deems necessary.

5.02 Lessor shall, at Lessor's expense, provide major repairs and/or replacement for vehicle drive train (engine, transmission, differential), which, in Lessor's sole judgment are not necessitated by Lessee's neglect, abuse, accident or failure to perform maintenance.

5.03 All other repairs and replacement of the equipment, which Lessor deems necessary or desirable, shall be made by and at the expense of Lessee. Lessee shall be responsible for any loss of the equipment by theft and any loss or damage thereof by fire or explosion. Lessee shall give Lessor prompt notice, prior to work being done, or any maintenance or repair which Lessee is not obligated to make hereunder, but which Lessee deems necessary. If Lessee fails to perform any maintenance or repair which Lessee is obligated to perform hereunder within ten (10) days after notification and request by Lessor, Lessor may (without prejudice to its other rights on account of such breach of the Lease) perform such maintenance or repair and shall be reimbursed by Lessee on demand for all costs incurred by Lessor related to the necessary maintenance or repair including any additional operating expenses resulting therefrom.

5.04 Lessee shall not add to or remove from the refueling equipment leased hereunder any equipment or appurtenances without the prior written consent of Lessor. All installations, replacements, and substitutions, replacements, and substitutions of parts or accessories with respect to any of the property will constitute accessions and will become part of the property and will be owned by Lessor.

ARTICLE 6: USE OF PROPERTY

Rights of Lessee

6.01. Lessee will be entitled to the absolute right of the use, operation, possession, and control of the leased property during the term of this Lease, provided Lessee is not in default of any provision of this Lease or subject to any security interest Lessor may have given or may give to any third party during the term of this Lease. Lessee will employ and have absolute control, supervision, and responsibility over any operators or users of the property.

Duties of Lessee

6.02. Lessee will use the property in a careful and proper manner and will not permit the property to be operated or used in violation of any applicable federal, state, or local statute, ordinance, rule, or regulation relating to the possession, use, or maintenance of the property. Lessee agrees to reimburse Lessor in full for all damage to the property

ARTICLE 7: LESSOR'S RIGHT OF INSPECTION

Inspection and Repair

7.01. Lessor, at its discretion during Lessee's regular business hours and with three (3) days prior notice to Lessee, will have the right to enter, for the purpose of inspection, the premises where the property is located or used. If, in the sole opinion of Lessor, any property covered by this Lease is not being properly maintained, Lessor will have the right, but not the obligation, to have it repaired or maintained at a service facility at the expense of Lessee.

ARTICLE 8: OTHER CHARGES

Other Charges

8.01. Lessee will be liable for any fees for licenses, registrations, permits, and other certificates that may be required for the lawful operation of the property. All certificates of title will initially be applied for the State of California and will be issued and maintained in the name of Lessor, as owner. They will be delivered to Lessor, and Lessee will pay all expenses in relation to them.

8.02. Lessee is responsible for the timely payment of all taxes and assessments on or applicable to the equipment leased under this Lease.

ARTICLE 9: LIABILITY

All Liability Assumed by Lessee

9.01. Lessee assumes all risk and liability for the loss of or damage to the equipment, for the death of or injury to any person or property, and for all other risks and liabilities arising from the use, condition, possession, or storage of the leased property. Nothing in this Lease will authorize Lessee or any other person to operate any of the property so as to impose any liability or other obligation on Lessor.

ARTICLE 10: ACCIDENT, LOSS OR PROPERTY, OR DAMAGE TO PROPERTY

Notification to Lessor

10.01. If any property covered by this Lease is damaged, lost, stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of its use, maintenance or possession, Lessee will promptly notify Lessor of the occurrence, and will file all necessary accident reports, including those required by law and those required by insurers of the property.

Cooperation in Defense of Claims

10.02. Lessee, its employees, and agents will cooperate fully with Lessor and all insurers providing the insurance under this Lease in the investigation and defense of any claims. Lessee

will promptly deliver to Lessor any documents served on or delivered to Lessee, its employees, or its agents in connection with any claim or proceeding at law or in equity begun or threatened against Lessee, Lessor, or both, concerning the leased property.

ARTICLE 11: ASSIGNMENT

Assignment or Subletting By Lessee

11.01. Lessee will not assign this Lease or any property described in it, or assign any interest in the Lease or property, or sublet any of the leased property without the express written consent of Lessor.

ARTICLE 12: ACTIONS CONSTITUTING DEFAULT

Lessee in Default

12.01. Lessor, at its option, may by written notice to Lessee declare Lessee in default on the occurrence of any of the following:

- (a) Failure by Lessee to make payments or perform any of its obligations under this Lease;
- (b) Institution by or against Lessee of any proceeding in bankruptcy or insolvency, or the reorganization of Lessee under any law, or the appointment of a receiver or trustee for the goods and chattels of Lessee, or any assignment by Lessee for the benefit of creditors;
- (c) Involuntary transfer of Lessee's interest in this Lease by operation of law.

ARTICLE 13: RIGHTS, REMEDIES, AND OBLIGATIONS ON DEFAULT

Lessor's Rights and Remedies

13.01. After the default of Lessee and on notice from Lessor that Lessee is in default, Lessor will have the following options:

- (a) To terminate the Lease and Lessee's rights under the Lease;
- (b) To declare any monthly rent installment that was due but yet unpaid, required of Lessee under the Lease to be payable;
- (c) To repossess the property without legal process free of all rights of Lessee to the property. Lessee authorizes Lessor or Lessor's agent to enter on any premises where the property is located and repossess and remove it. Lessee specifically waives any right of action Lessee might otherwise have arising out of the entry and repossession, and releases Lessor of any claim for trespass or damage caused by reason of the entry, repossession, or removal;
- (d) Any other remedy allowed or provided by law.

Effect of Forbearance

13.02. No failure on the part of Lessor to exercise any remedy or right and no delay in the exercise of any remedy or right will operate as a waiver. No single or partial exercise by Lessor or any remedy or right will preclude any other of further exercise of that remedy or right or the exercise of any other rights or remedies. No forbearance by Lessor to exercise any rights or privileges under this Lease will be construed as a waiver, but all rights and privileges will continue in effect as if no forbearance had occurred. Acceptance by Lessor of rent or other payments made by Lessee after default will not be deemed a waiver of Lessor's rights and remedies arising from Lessee's default.

ARTICLE 14: RETURN OF PROPERTY ON EXPIRATION

Lessee's Return of Property

14.01. Upon the expiration date of this Lease with respect to any or all of the property, Lessee will return the property to Lessor, together with all accessories, free from all damage and in the same condition and appearance as when received by Lessee, allowing for ordinary wear and tear. If Lessee fails or refuses to return the equipment to Lessor, Lessor will have the right to take possession of the property and for that purpose to enter any premises where the property is located without being liable in any suit, defense, or other proceedings to Lessee.

ARTICLE 15: LIENS

Encumbrances or Liens; Notice

15.0 1. Lessee will not pledge, encumber, create a security interest in, or permit or allow any lien or encumbrance of any kind whatsoever to become effective on any leased property. If any of those events take place, Lessee will be deemed to be in default at the option of Lessor. Lessee will promptly notify Lessor of any liens or other encumbrances of which Lessee has knowledge. Lessee will promptly pay or satisfy any obligation from which any lien or encumbrance arises, and will otherwise keep the property and all title and from which any lien or encumbrance arises, and will otherwise keep the property and all title and interest free of any Liens and encumbrances. Lessee will deliver to Lessor appropriate satisfactions, waivers, or evidence of payment.

ARTICLE 16: NOTICES

Service of Notice

16.01. Except as otherwise expressly provided bylaw, any notices or other communications required or permitted by this Lease or by law to be served on or given to either party by the other party will be in writing and will be deemed duly served or given when personally delivered to (any member of or the designated agent of) the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Lessee at the following address:

El Dorado County
General Services Department
Attn: George W. Sanders Interim Director
360 Fair Lane (Mailing Address)
345 Fair Lane (Physical Address)
Placerville, CA 95667

or to Lessor at the following address:

Air BP Aviation Services
P.O. Box 12249 (Mailing)
1790 16th Street, SE (Physical)
Salem, OR 97302

Either party may change its address for the purpose of this Paragraph by given written notice of the change to the other party in the manner provided in this Paragraph.

ARTICLE 17: ENTIRE AGREEMENT

Incorporation by Reference

17.01. This Lease and any attached Schedule(s), which is/are incorporated by reference and made an integral part of the Lease, constitute the entire agreement between the parties. No agreements, representations, or warranties other than those specifically set forth in this Lease or in the attached Schedule(s) will be binding on any of the parties unless set forth in writing and signed by both parties.

ARTICLE 18: GOVERNING LAW

Choice of Law

18.01. This Lease will be deemed to be executed and delivered in California and governed by the laws of the State of California. Any dispute resolution action arising out of this Lease, including but not limited to, litigation mediation, or arbitration, shall be brought in El Dorado County, California.

ARTICLE 19: SEVERABILITY CLAUSE

Agreement Survives Partial Invalidity

19.01. If any provision of this Lease or the application of any of its provisions to any party or circumstance is held invalid or unenforceable, the remainder of this Lease, and the application of those provisions to the other parties or circumstances, will remain valid and in full force and effect.

ARTICLE 20: YEAR 2000 COMPLIANCE

Upon delivery of the equipment and thereafter, any date and date logic component shall effectively and efficiently operate using a four-digit year.

ARTICLE 21: ADMINISTRATOR

21.01. The County Officer or employee with responsibility for administering this Lease shall be Michael Gray, Airports, Parks and Grounds Manager, General Services Department, or his successor.

ARTICLE 22: FISCAL CONSIDERATIONS

Fiscal Considerations

22.01. The parties to this Lease recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Lease to the contrary, County shall give notice of cancellation of this Lease in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption upon a final budget which does not provide funding for this Lease. Upon the effective date of such notice, this Lease shall be automatically terminated and the County shall be released from making future lease payments hereunder, provided, however, that the County shall in no event be released from any other obligation hereunder, including, without limitation, the obligation to return the leased equipment in like condition and the obligation to make past due lease payments..

In addition to the above, should the Board of Supervisors during the course of a given for financial reasons reduce, or order a reduction, in the budget for any County department for services were contracted to be performed, pursuant to this paragraph in the sole discretion the County, this Lease may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE 23: INSURANCE

It is understood between the parties hereto that County is covered for its motor vehicle, general liability; and workers' compensation exposures through three (3) corresponding self-insurance programs, in conjunction with excess coverages. The County maintains reserve funds within each of its self-insurance programs that are deemed to be adequate by annual review by an independent outside actuary. This certificate evidences the following:

1. General and Auto Liability - Risk is retained and self-funded as set forth hereinabove up to \$500,000 or occurrence. Excess coverage is in force to a per occurrence limit of \$115,000,000, through the California State Association of Counties.

2. Workers' Compensation - Risk is retained up to \$250,000 per occurrence and self-funded as described hereinabove. Excess coverage is in force through Employers Reinsurance Corporation up to a limit of \$10,000,000 per occurrence.

Insofar as collision and comprehensive coverage is concerned, Lessee is responsible for only the first \$1,000 of liability for each incident, and Lessee may insure such liability or not as it chooses. Lessor is responsible for all collision and/or comprehensive coverage in excess of \$1,000.

Lessor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Lessor maintains insurance that meets the following requirements:

A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Lessor as required by law in the State of California.

B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage.

C. Automobile Liability Insurance of not less than \$500,000.00 is required in the event motor vehicles are used by the Lessor in the performance of the Lease.

D. Lessor shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.

E. Lessor agrees that the insurance required above shall be in effect at all times during the term of this Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, Lessor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Lease, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Lessor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Lessor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.

ARTICLE 24: AUTHORIZED SIGNATURES

23.01. The parties to this Lease represent that the undersigned individuals executing this Lease on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein,

LESSOR:

**EPIC AVIATION, LLC dba
AIR BP AVIATION SERVICES**

Dated: 2-13-04



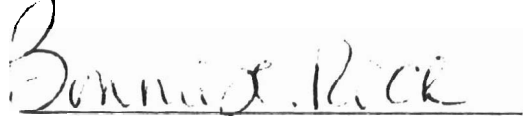
**Mike Delk
President**

Dated: 2-13-04

By 

Corporate Secretary

Dated: 3/1/04

EL DORADO COUNTY


**Bonnie H. Rich
Purchasing Agent**

EXHIBIT "A"

LESSEE RESPONSIBILITIES

The Lessee shall at Lessee's expense, maintain the equipment at all times in good, safe and efficient operating condition, and to that end shall:

1. Furnish all fuel, engine oil, hydraulic fluids, lubricants and coolants at prescribed levels. **Do not use Avgas in the Refueler. All damage to the engine and related expenses caused by the use of Avgas in the Refueler will be the responsibility of the Lessee.**
2. Wash, lubricate and change engine oil at prescribed intervals, maintain proper tire pressure, repair and change tires as necessary. Installation of new tires will be the responsibility of the Lessee.
3. Make all repairs necessitated by neglect, abuse, normal wear and tear, including but not limited to the following chassis and equipment maintenance and repairs:
 - Furnish and install spark plugs, ignition points and condenser and adjust timing.
 - Service air filter, furnishing oil or replacement element as required.
 - Furnish and install oil filter elements at proscribed intervals.
 - Furnish and install engine accessory drive belts.
 - Furnish and install light bulbs, sealed beams, fuses, lenses, reflectors and broken glass.
 - Maintain and charge batteries, replenish water, clean terminals, furnish and install new batteries and cables.
 - Clean engine fuel line sediment bowls, furnish and install fuel filter elements.
 - Inspect and recharge all fire extinguishers.
 - Furnish and install brake fluid and adjust brakes as needed.
 - Furnish and install cooling system hoses and correct leaks.
 - Drain water sumps as required.
 - Furnish and install new dispensing nozzles, ground wires, connectors and ground wire reels.
 - Furnish and install replacement windshield wiper blades, arms and hoses.
 - Pay for meter calibration, and licensing, required by city, county or state authority. Lessor assumes no responsibility for non-compliance of these licenses.
 - Furnish and install replacement aviation product filters.
 - Maintain and/or replace Pump, PTO and Product Delivery System.