

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK

1. Contractor agrees to provide to Department of Forestry and Fire Protection (Cal Fire) two leased aircraft as described herein:

Lease of a DC 10 super tanker and lead plane King Air C 90 class to provide fire fighting support to include aircraft, crew, maintenance and insurance. Basic lease term is the declared fire season of June 15 through October 15, 2007, 2008 and 2009. Additional time required by Cal Fire will be paid at a daily rate set forth in Exhibit B. Cal Fire has sole control of mission selection and priorities. Aircraft to be available to launch, weather permitting, during daylight hours, seven days per week.

2. The services shall be performed at Department of Forestry and Fire Protection, Aviation Management Unit 5500 Price Avenue, McClellan, Ca 95652. Aircraft to be based at 10 Tanker Air Carrier headquarters, 13010 Aerospace Drive, Victorville, CA 92395.
3. The services shall be provided seven days per week.
4. The project representatives during the term of this agreement will be:

State Agency: Forestry and Fire Protection	Contractor: 10 Tanker Air Carrier
Name: Bill Payne	Name: Rick Hatton
Phone (916) 561-3382:	Phone: (650) 465-9981
Fax: (916) 561-3354	Fax: (650) 637-1865

Direct all inquiries to:

State Agency: Forestry and Fire Protection	Contractor: 10 Tanker Air Carrier
Section/Unit: Contracts Unit	Section/Unit:
Attention: Elizabeth Garcia	Attention: Rick Hatton
Address: P. O. Box 944246, Sacramento, CA 94244	Address: 13010 Aerospace Dr, Ste 100, Victorville, CA 92394
Phone: (916) 323-3827	Phone: (650) 465-9981
Fax: (916) 323-1888	Fax:

5. At the discretion of Cal Fire, aircraft may be assigned to support non-California fire suppression efforts, at no cost to Cal Fire.

**EXHIBIT B
(Standard Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

California Department of Forestry and Fire Protection
Aviation Management unit
Attention: Bill Payne
5500 Price Avenue
McClellan, CA 95652
Phone Number (916) 561-3382

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. In the event of an emergency, as defined in Section 927.11, late payment penalties may not apply. Specific to Cal Fire, if an invoice from a business under contract with Cal Fire becomes subject to late payment penalties during the annually declared fire season, then the required payment approval date shall extend 30 calendar days beyond the initial 45-day period.

**ATTACHMENT 1
BUDGET DETAIL
(Standard Agreement)**

Fee Schedule

Lease of DC 10 super tanker	
From June 15 - October 15, 2007	\$5,002,000.00
From June 15 - October 15, 2008	\$5,102,040.00
From June 15 - October 15, 2009	\$5,204,080.00

Lease includes an annual 2% cost increase

Lease of C 90	
From June 15 - October 15, 2007	\$ 205,000.00
From June 15 - October 15, 2008	\$ 209,100.00
From June 15 - October 15, 2009	\$ 213,282.00

Lease includes an annual 2% cost increase

Block hour fees

Block hours are flight hours, beginning when the aircraft first moves with the intention of flight and ends when the aircraft is parked.

Block fee for DC 10	\$5,500 per hour
Block fee for C 90	\$415 per hour

Fuel costs are reimbursed to contractor upon submission of written invoice.
State will issue Multi Service card to pay for fuel of E-90 King Air only.

At the discretion of the Director of Cal Fire and based on fire fighting needs, the director may authorize additional time for each plane. The reimbursable rate, on a daily basis with no guaranteed minimum will be:

For the DC 10	\$41,000 per day
For the E 90	\$ 1,680 per day

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS

PLEASE NOTE: This page will not be included with the final agreement. The General Terms and Conditions will be included in the agreement by reference to Internet site: www.dgs.ca.gov/contracts

**EXHIBIT D
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, within ten (10) days of discovery of the problem contractor shall file a "Notice of Dispute" with:

Department of Forestry and Fire Protection
Attention: Contracts Manager
P.O. Box 944246
Sacramento, CA 94244-2460

Within ten (10) days of CDF receiving contractor's notice, the contracts manager or designee shall advise contractor of the findings and recommend a method to resolve the dispute. Decision of the contracts manager or designee shall be final.

In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. Right to Terminate (SCM 7.85)

The State reserves the right to terminate this agreement subject to thirty (30) days written notice to the Contractor. Contractor may submit a written request to terminate this agreement only if the State should substantially fail to perform its responsibilities as provided herein.

However, the agreement can be immediately terminated for cause. (Refer to GTC, Exhibit C, Item 7. Termination for Cause)

4. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

**EXHIBIT D
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5. Evaluation of Contractor

Performance of the Contractor under this Agreement will be evaluated. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative and over \$5,000.

6. Agency Liability

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

7. Force Majeure

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failures of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.

8. Non-Eligible Alien – All Sole Proprietor Contracts – (SCM 2.07)

Contractor shall comply with US Code, Title 8, Section 1621 (a), (b), (c), and (d), concerning aliens or immigrants ineligible for State and local public benefits.

EXHIBIT E
(Standard Agreement)

ADDITIONAL PROVISIONS

1. **Staff Expenses**

The Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.

2. **Insurance Certificates**

Contractor to provide proof of commercial and/or aircraft liability insurance with limits of not less than \$5,000,000 per occurrence. Contractor to provide proof of automobile liability insurance with limits of not less than \$1,000,000 per accident. Insurance coverage shall be in effect for the entire term of the agreement.

3. **Public Works - Rules/Regulations**

Contractor shall observe and comply with all federal, state, city, and county laws, rules or regulations affecting the work. Any work done that does not comply with any laws, rules, or regulations will be remedied at the Contractor's expense.