

FAUQUIER COUNTY, a political subdivision of the Commonwealth of Virginia
Contract # 34-16KS, Aviation Fuel/Truck Lease Program

This Agreement is made and entered into this 29th day of January, 2016, by Fauquier County, a political subdivision of the Commonwealth of Virginia hereinafter referred to as "Owner" and, **Eastern Aviation Fuels, Inc.**, located at **601 McCarthy Blvd, New Bern, NC 28562**, hereinafter referred to as "Contractor".

WITNESSETH that the Contractor and the Owner, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF SERVICES: The Contractor shall provide an Aviation Fuel/Truck Lease Program service to the Owner as set forth in the Contract Documents.

COMPENSATION: The Owner will pay and the Contractor will accept in full consideration for services rendered during the contract all fees as negotiated and attached hereto.

CONTRACT PERIOD: January 29, 2016 through January 28, 2026, with the option to renew for two (2) additional five (5) year periods, under the terms of the contract, upon mutual agreement of both parties.

The contract documents shall consist of and are listed in order of priority:

- (1) This signed form;
- (2) RFP# 34-16KS, and Addendum#1 dated October 21 2015;
- (3) Negotiation Summary – Attachment A;
- (4) Eastern Fuel Contract – Attachment B;
- (5) Eastern Truck Lease – Attachment C;
- (6) Contractor's proposal dated November 3, 2015.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

Eastern Aviation Fuels, Inc.

County of Fauquier, a political subdivision of the Commonwealth of Virginia

By: 

CPPB

Title: President

Date: 2-1-16

By: 

Susan Monaco, CPPO,
Jonathon Munch

Title: Procurement Manager / Director of Finance

Date: 2/3/2016

FAUQUIER COUNTY
A political subdivision of the Commonwealth of Virginia

Contract # 34-16KS, Aviation Fuel/Truck Lease Program

FUEL:

JET-A FUEL: Per gallon price, Based on Platt prior week Gulf Coast mean
Additional Cost added:

Differential \$.19008 (built into cost of fuel)
Freight, per gallon price, dependent on volume and distance
Federal Oil Spill Liability, \$0.00190
Federal Excise Tax, \$0.24300
Federal Lust Tax, \$0.00100
VA Excise Tax on Fuel, \$0.05000

AVGAS 100LL: Per gallon price, Shells Sellers posted dealer price
Additional Cost added:

Federal Oil Spill Liability, \$0.00190
Federal Excise Tax, \$0.19400
VA Environmental Fee-Rep, \$0.00600
VA Excise Tax Reported, \$0.05000

(TAXES SUBJECT TO CHANGE)

EQUIPMENT:

1000 Gallon AVGAS 2015 Refueler or Newer, \$500.00 per month as stipulated
in Attachment C

3000 Gallon Jet A 2005 Refueler or Newer, \$500.00 per month as stipulated in
Attachment C

CREDIT CARD FEES:

Shell Aviation - 0.0%
Shell Fleet/Shell Retail - 0.0%
Shell Contract Fuel - 0.0\$
Shell Master Card - 0.0%
Master Card/Visa - 2.0%
American Express - 2.5%
Discover - 2.5%
Multiservice Card - 2.0%
AVCard - 2.0%
Gov't Air Card 2.0%

**FAUQUIER COUNTY GOVERNMENT AND PUBLIC SCHOOLS
PROCUREMENT DIVISION
320 Hospital Drive, Suite 23
Warrenton, Virginia 20186**

Phone: (540) 422-8354

Fax: (540) 422-8355

December 23, 2015

Final Rev. January 19, 2016

**Summary of Negotiations
RFP34-16KS
Aviation Fuel/Truck Lease Services**

Fauquier County (hereinafter called the County) and Eastern Aviation (hereinafter called the Contractor) hereby agree to the following provisions as related to the above referenced RFP issued October 7, 2015 and negotiated on Tuesday December 15, 2015. These provisions will be incorporated into and become part of the final associated contract for RFP34-16KS.

1. Upon award of this contract Eastern Aviation Fuels will schedule, within the first week of award, an inspection of the Airport facility by their Quality Control Team. Refuelers shall be on site on average within 30 days of contract award. Point of Sale Equipment shall be shipped to the Airport facility immediately upon release of the Quality Control report and shall arrive within of week from that date. The initial safety training shall be conducted within this time frame on site at the Airport with the Contractors ACE training program. Eastern Aviation representative, Eddie Babb shall be onsite to assure a smooth transition throughout this process.
2. Eastern Aviation will provide free, at no charge to the County, for the period of one year from date of delivery, a Jet A 2005 refueler and an Avgas 2015 refueler. At the end of the first year the cost the refuelers will be set at \$1,000.00 per month (to include both vehicles) for the initial term. The term of the lease agreement, as related to the refuelers, shall be Ten (10) years. The cost for the refuelers will be re-negotiated at the time of contract renewal.
3. Eastern Aviation will provide Safety First training for Two (2) PLST Initial training seats and One (1) Supervisor on-line training seat at no charge to the County. The County will assume the cost for this training thereafter at the discounted price provided by Eastern Aviation on this date.
4. Should the County elect to use this software, once Eastern Aviation has the optional POS software (Vessic) available for installation and use, Eastern will cover the cost of this software for the first twelve (12) months at no charge to the County. The County will assume the software cost thereafter if they chose to continue use of the program

5. All credit card fees will be 2%, with the exception of Discover and American Express, which will be 2.5% the term of the contract, those cards that currently have a 0% fee will remain at 0%.
6. Any and all issues as related to the PCI compliance, in any manner, shall be redirected to Tanya Wilcox, Treasurer of Fauquier County to be addressed and resolved.
7. Paragraph 4 of the lease agreement states that the County shall pay all sales and property taxes, assessment, licenses and registration etc., on said vehicle. Please strike this paragraph as we will not retain ownership of these vehicles and Eastern Aviation has indicated that these vehicles are not road worthy. This paragraph shall be removed in its entirety.
8. Paragraph 9 of the lease agreement shall be removed in its entirety and replaced with: "This agreement as amended will be incorporated into and become a part of the final associated contract for RFP34-16KS."
9. Paragraph 12 and 13, as related to indemnification and related attorney fees, of the lease agreement shall be removed in their entirety.
10. Eastern Aviation shall provide a rebate check back to the County in the amount of \$2,500.00 as related to a signing bonus for the branded uniform program within 60 day of signature.

Acceptance:

By: 

Printed Name Robert L. Stallings, IV Date: 2-1-16

Title: President Company Name: Eastern Aviation Fuels, Inc.

Attachment B
STATE OF VIRGINIA
COUNTY OF FAUQUIER

**AVIATION FUELS CONTRACT
AND ADDENDUM**

THIS AGREEMENT, entered into this 29th day of January, 2016, by and between EASTERN AVIATION FUELS, INC. of New Bern, North Carolina, hereinafter called "Seller" and Fauquier County, hereinafter called "Buyer" as follows:

1. Seller agrees to sell and deliver, and Buyer agrees to purchase, receive and pay for from Seller, Buyer's entire requirements of aviation fuels for use or resale at the Warrenton-Fauquier Airport, at or near Midland, VA per the terms and conditions of RFP 34-16KS, Aviation Fuel/Truck Lease Program, and negotiated contract incorporated herein by reference.

2. **TERM:** This contract shall remain in force for a period of Ten (10) years with two (2) five (5) year renewal options, beginning on the 29th day of January, 2016.

3. **DELIVERIES:** The aviation fuels sold and purchased hereunder shall be the regular grade or grades of aviation fuels as currently supplied by EASTERN AVIATION FUELS, INC. and deliveries to Buyer hereunder shall be by tank truck at the place of business of Buyer at said Airport in approximately even quantities in such amounts (not less than I.C.C. minimum delivery at any one time) and at such times during business hours as Buyer may direct. It is understood that Seller's obligation hereunder is limited to such grade or grades of aviation fuels as are distributed by Seller, at the time and place of delivery hereunder.

4. PRICING:

Jet-A with Additive –Based on PLATT's Prior Week Gulf Coast Avgas---Sellers Posted Dealer Price

Pricing does not include taxes and freight

"Seller's posted dealer price" mean the price posted and displayed at the time of delivery, at Seller's office at location shown in paragraph 14 hereafter.

PRICE ADJUSTMENTS: Annually, Seller may, at any time, by 10 days written notice to BUYER, adjust the Jet A differential obtained at the delivery location due to any product cost changes. All differential changes will be documented to BUYER'S satisfaction and to verify this change is a pass through, and not an arbitrary increase. All price changes will take effect 10 days following written notification from SELLER to BUYER.

5. **TERMS:** Buyer agrees to pay for all such aviation fuels net 30 from invoice date. Seller reserves the right to withdraw these terms and demand certified cash payments on delivery without assigning any cause for such action. The failure or refusal of Buyer to comply with the requirements which the Seller may impose hereunder as to payment shall entitle the Seller to suspend delivery pending such failure or refusal or to terminate this agreement forthwith. The suspension or termination of this agreement because of the failure of Buyer to perform any of the agreements herein contained shall not in any way prejudice Seller's other rights hereunder.

7. TAXES, FEES, AND AIRPORT CHARGES: Any tax or other charge imposed by any governmental authority or other agency upon the commodity herein sold, or on the production, sale, transportation, or delivery thereof, or any feature thereof or of this agreement, existing at the time of delivery thereunder, shall be added to the price hereunder and paid by Buyer.

Attachment B

8. FAILURE TO PERFORM: If Seller's supplier should at any time during the life of this contract discontinue the marketing of any or all grades of aviation fuels in Buyer's territory, Seller shall be relieved of all obligation to sell or deliver such discontinued grade or grades to Buyer and Buyer shall be at liberty to purchase such discontinued grade or grades from other sources.

9. CONDITIONS: All orders hereunder will be filled with reasonable promptness, but it is mutually agreed that Seller shall not be obligated to furnish goods hereunder, nor be liable in damages for failure to do so, in the event acts of God, strikes, difficulties with its workers, lockouts, fires, foreign or domestic governmental authority, war conditions in this and any foreign country, accident, delays by railway or other methods of transportation, or other causes beyond its control, shall render it impossible for Seller to do.

10. TRADEMARKS: Seller grants to Buyer a nonexclusive, non-transferable right to use the "Shell Aviation" brand or licensed trademark in connection with the sale of Aviation Fuel at Buyer's FBO. Buyer will conform to the branding rules of usage set forth by Seller. Nonconformance to these rules will result in the de-branding of the Buyer's FBO.

11. HEALTH, SAFETY & ENVIRONMENTAL ("HS&E") COMPLIANCE:

(a) **Product Handling** - Buyer shall exercise extreme caution in the storing, handling, and dispensing of Aviation Fuel, including daily inspection of all storage and dispensing equipment to prevent or eliminate contamination in any form, including commingling with other fuels. Buyer shall, immediately notify Seller of any instance of Aviation Fuel contamination or commingling with other fuels.

(b) **Environmental Compliance** - Buyer shall observe any and all federal, state, and municipal laws, ordinances, rules and regulations, user permits, and the like pertaining to the composition, handling, storage and dispensing of Aviation Fuel purchased hereunder including, without limitation, any and all laws, ordinances, rules and regulations pertaining to the volatility or vapor pressure of Aviation Fuel and the storage of same in aboveground or underground storage tanks. Buyer shall comply with any reasonable program instituted by Seller to assure compliance with any such laws, ordinances, rules and regulations.

12. INSURANCE TO BE MAINTAINED BY BUYER: Buyer shall purchase and Maintain at Buyer's expense the following insurance coverage in order to be a branded Shell Aviation FBO:

(a) **Commercial General Liability Insurance**, including premises and operations as well as products/completed operations liability for aviation products and refueling operations with minimum limits of five hundred thousand dollars (\$500,000) without restrictive per person sub-limits for bodily injury and/or property damage.

(b) Name both Shell Aviation, d.b.a. Shell Oil Products Company U.S., LLC and

Eastern Aviation Fuels, Inc., as additional insured parties with respect to liability arising from Buyers aviation operations including refueling, de-fueling and/or lubrication of aircraft.

Attachment B

Excess Aviation Refueling Liability Insurance in the amount of Fifty million dollars (\$50,000,000) will be provided Buyer free of charge provided Buyer secures and maintains said underlying insurance.

In the event Buyer is able to secure said insurance, limited to \$100,000 per-person sub-limits for bodily injury Buyer will be permitted to be a branded Shell Aviation FBO, but will not be eligible for the 50 million excess liability insurance program. Buyer may elect not to participate in the Excess Aviation refueling Liability Insurance program, but will be required to maintain insurance meeting the above criteria to be a branded Shell Aviation FBO.

13. SHELL CREDIT CARD PROGRAM : Invoices from credit card sales may be purchased by Seller from Buyer for approved credit cards, but only as to such merchandise and services and upon such express regulations and instructions as may be set forth in the "Shell Credit Card Procedures Manual" published by Seller and furnished to Buyer from time-to-time. Upon failure by Buyer to comply strictly with such regulations and instructions, Seller shall have the right to charge back to Buyer any amounts represented by non-complying sales. Such regulations and instructions, as amended or supplemented from time-to-time, shall be deemed part of this Agreement. In addition, Buyer agrees to process all credit card, fuel card, and contract fuel transactions via the Shell POS equipment through the Shell Merchant Program or Seller's Direct Ordering website for Resellers and agrees that this card processing is material to this Agreement and the Shell Brand program.

14. NOTICES: Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested:

SELLER: EASTERN AVIATION FUELS, INC.
Post Office Box 12327
New Bern, North Carolina 28561

BUYER: FAUQUIER COUNTY

15. MERGER: There is no arrangement, agreement or understanding, by or between the contracting parties expressed or implied in any manner relating to the subject matters hereof nor herein specifically stated, and this Agreement shall not be altered or amended except in writing signed by both Buyer and Seller.

This the 29th day of January, 2016.

EASTERN AVIATION FUELS, INC.

FAUQUIER COUNTY

By: [Signature]
Robert L. Stallings, III, President

By: [Signature]
Susan R. Monaco, Procurement Manager
Jonathon C. Munch, Director of Finance

WITNESS: [Signature]

WITNESS: [Signature]

Date: 2-1-2016

Date: 2/3/2016

CONTRACT ADDENDUM
AVIATION FUELS CONTRACT
Attachment B

The Sellers Aviation Fuels agreement is, with the exceptions noted herein, acceptable to Fauquier County, and in consideration of the convenience of using that form, and this form, without the necessity of specifically negotiating a revised contract document, the parties hereto specifically agree that, notwithstanding any provisions appearing in the attached the following changes are made to the Aviation Fuels Agreement and are agreed to by both parties.

The following paragraphs are changed and shall read as follows:

1. Paragraph 5. **TERMS:** Buyer agrees to pay for all such aviation fuels net 30 from delivery date.

2. Paragraph 9. **CONDITIONS:** All orders hereunder will be filled with reasonable promptness, but it is mutually agreed that Seller shall not be obligated to furnish goods hereunder, nor be liable in damages for failure to do so, in the event acts of God, strikes, lockouts, fires, foreign or domestic governmental authority, war conditions in this and any foreign country, accident, delays by railway or other methods of transportation, or other causes beyond its control, shall render it impossible for Seller to do.

Attachment C

STATE OF VIRGINIA

COUNTY OF FAUQUIER

REFUELER LEASE AGREEMENT

THIS **AGREEMENT**, made and entered into this the 29th day of January, 2016, by and between **EASTERN AVIATION FUELS, INC**, a NORTH CAROLINA Company, with its principal office in New Bern, North Carolina, and hereinafter referred to as "Lessor", and Fauquier County., hereinafter referred to as "Lessee":

WITNESSETH

Lessor agrees to deliver and lease to Lessee for Lessee's use at the Warrenton-Fauquier Airport, Midland VA, the aviation refueling equipment described as follows:

This confirms our mutual understanding that the below described refueling equipment is, as of the above date, leased to Lessee subject to the following terms and conditions:

1000 GALLON AVGAS 2015 REFUELER OR NEWER and a 3000 GALLON 2005 OR NEWER JET A REFUELER

1. For the use of said refueling equipment during the term hereof, Lessor hereby agrees to lease to Lessee the refueling equipment for a rental fee of zero dollars (\$0.00 for the first year of the contract and the lease cost will be set at One Thousand dollars (\$1,000.00) per month for a total cost of both vehicles for the initial term, plus renewals. to commence as of the 29th day of January, 2016.
2. This agreement shall remain in effect for a primary term of Ten (10) years beginning on the 29th day of January, 2016, with two (2) five (5) year renewal options. Either party shall notify the other in writing of its desire to terminate this agreement at least thirty (30) days prior to expiration of the primary term, or any other desired termination date thereafter.
3. Said refueling equipment shall in no way become the property of Lessee, or anyone claiming there under, and shall be used solely by Lessee or its representatives at the Warrenton Fauquier Airport, Midland, VA, for handling the aviation fuels supplied by Eastern Aviation Fuels, INC.
4. It is understood and agreed that Lessee will not encumber said refueling equipment or do or permit anything to prejudice the title of the owner thereto; will comply with all laws, ordinances, and regulations applicable to the refueling equipment is also agreed that Lessee shall not add or remove any equipment or appurtenances to or from said equipment without the written consent of Lessor.

Attachment C

5. It is further understood and agreed that each party accepts the applicable responsibilities for operating and maintaining said refueling equipment listed as hereafter provided, said list being made a part hereof by reference. Lessor shall be permitted access to inspect the refueling equipment at all reasonable times.
6. Lessee agrees that it shall return said refueling equipment to Lessor at the termination of this agreement in as good condition as when Lessee received it, normal wear and tear excepted.
7. Lessee agrees to maintain adequate physical damage insurance on refueling equipment during the term of this lease with Lessor named as an additional insured party, and to furnish a copy of certificate of insurance to Lessor.
8. This agreement as amended will be incorporated into and become part of the final associated contract for RFP34-16KS.
9. Lessee agrees that it will not use or permit the use of the vehicle leased hereunder in a negligent or improper manner or in violation of any law; or so as to avoid any insurance covering the same; or as a public or private livery; or permit the vehicle to become subject to any lien, charge or encumbrances.
10. The Lessee is responsible for:
 - A. Performing routine maintenance on refueler. The Lessor shall be responsible for major repairs (if caused by normal wear and tear i.e. engine and transmission rebuilding, etc.) and any repairs not specifically the responsibility of lessee as stated in this lease agreement.
 - B. Quality control inspections on the fueling equipment and for filter element replacement at regular intervals.
 - C. Furnishing all fuel for refueling equipment.
 - D. Checking and maintaining sufficient supply of lubricating oil in crankcase.
 - E. Checking regularly and maintaining sufficient supply of gear oil in transmission and differential.
 - F. Pay for all ground reel equipment and replacement of aviation refueling hoses.
 - G. Checking battery water level weekly. Test and charge battery as necessary. Replace as needed.
 - H. Maintaining proper air pressure in tires, and making all necessary tire changes and repairs, including replacements.
 - I. Pay for all deadman cable and handle replacements.
 - J. Checking and maintaining adequate all-season antifreeze in radiator to protect cooling system properly. Antifreeze shall be maintained in refueling equipment throughout the year.
 - K. Keeping all fire extinguishers fully charged and in good working order.

Attachment C

- L. Pay for meter calibration, if any required.
- M. Inspect nozzle screens, filter, and filtering equipment daily, and clean as necessary.
- N. Furnish any ladders desired by Lessee.
- O. Pay for any fuel nozzle replacements.
- P. Reimburse Lessor for replacement of parts or equipment lost from refueler equipment, and for all expenses incurred for repairs to, and/or replacement of parts of, the refueling equipment through carelessness, abuses, or neglect.
- Q. Wash and clean refueling equipment as necessary to maintain good appearance.
- R. Advise Lessor at once if operation of truck or refueling system indicates need for repairs, which are Lessor's responsibility. Cost of local repairs or replacements by others will not be paid or reimbursed by Lessor unless prior authorization is secured from Lessor.

11. The execution of this lease and the performance of any act pursuant to the provisions thereof shall not be deemed or constructed to have the effect of creating between Lessor and Lessee the relationship of principal or agent, or of a partnership or joint venture.

IN WITNESS WHEREOF, the parties have hereunto caused this instrument to be executed in their corporate names by their Presidents, attested by their Secretaries, and their corporate seals to be hereto affixed, all by order of their respective Boards of Directors and this instrument is executed in duplicate originals, with each party retaining a copy thereof.

EASTERN AVIATION FUELS, INC.

FAUQUIER COUNTY

By: [Signature]
Robert L. Stallings, III, President

By: [Signature]
Susan R. Monaco, Procurement Manager
Jonathan C. Munch, Director of Finance

WITNESS: [Signature]

WITNESS: [Signature]

Date: 2-1-16

Date: 2/3/2016