Policies and Procedures Manual

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Appendices

Section 1. General.

A. Applicability. Freeman Holdings (FH) Policies and Procedures provisions apply to all FH locations whether doing business as Million Air or Freeman Jet Center. Exceptions to them must be granted by the FH COO, who is responsible for this document.

B. Except as noted otherwise, all Million Air Interlink (MAI) policies and procedures apply to all FH locations and personnel. These are to be found in Million Air Common Operating Manual or "COM". Each FHG FBO must maintain these handbooks and ensure that all personnel aware of and comply with their contents. Exceptions to MAI guidelines must be referred to the COO.

Section 2. Management.

A. Freeman Holdings is a flat organization with a single owner, Chris Freeman, who has delegated all aspects of management of the company to three corporate officers who are responsible for all aspects of managing the business. Those corporate officers are:

1) Chief Executive Officer (CEO): Scott Freeman

2) Chief Operating Officer (COO): Carl Ernst

3) Chief Financial Officer (CFO): Mike Meurer

4) General Counsel (GC): Tom Cline

B. FH Directors. In addition to the corporate officers, FH has directors who are responsible for coordinating with and assisting GMs and their staffs within their areas of expertise, including assistance visits to all FBOs. These directors also advise and assist the company officers and, with the exception of the Controller, Chief Pilot and Travel Coordinator, report to the COO. FH directors coordinate directly with counterpart FBO personnel and or GMs. Directors are coordinators, advisors and facilitators. They are not in the management or supervisory chain of any FBO personnel.

1) Director of Military Marketing (DMM): Charlie Elliott.

2) Director of Maintenance (DOM): Mark Bonham.

3) Director of Food Operations (DFO): Kathy Mohror.

4) Controller: Laurie Gamerl.

5) Chief Pilot: John Hemker.

6) Travel Coordinator: Shelia Reynolds.

C. General Managers (GM). General Managers are responsible for all aspects of FBO operations, personnel, operations, financial, maintenance, customer relations, safety, environmental, lease compliance, FAA and DLA Energy fuel operations compliance, etc. Everything that occurs in and around their FBO, and that involves FHG at their airport is the responsibility of the General Manager. Using a military analogy, the GM is a “commander”, responsible for everything his FBO does or fails to do.

D. Managing Relationships. GMs are responsible for maintaining good relationships with the airport management team, airport governing boards or committees, and other airport tenants and businesses. Managing relationships also includes the local community, nearby military installations, fuel supplier, vendors, etc.

E. All personnel at an FBO report to the GM either directly or through a subordinate manager or supervisor. GMs in turn, report to the COO.

F. GM Absences.

1) GMs are expected to be on call 24/7 when they are absent from the FBO and in the local area.

2) When a GM is absent from the local area for vacation or business purposes, he must designate a subordinate manager as the FBO manager in charge for the duration of the GMs absence. In essence, this manager is the FBO assistant GM for the period of the GM absence and must be on call as noted above.

G. Normally, the only personnel reporting directly to the GM will be subordinate managers (line service, customer service, mechanic, and accountant. This is important for all personnel actions and for developing leadership and management skills of all managerial personnel.

Section 3. Personnel.

A. Family Members as Employees. Family members of GMs and other management or supervisory personnel at an FBO may not be hired as an employee. Exceptions already in place are “grandfathered”.

B. New Hires.

1) Pre-hire screening and requirements:

a) High School graduate (diploma or GED).

b) Police or TSA background check.

c) Undergo the Talent Plus online assessment tool for your initial screen.

d) Culture Index (CI) Go to CI for your final screen.

e) Undergo a drug test and affirm that they have never failed a drug test.

f) Possess a valid driver’s license.

g) Read, understand and sign-off MA COM standards for grooming, dress, customer service, courtesy, etc., and that compliance is a condition of employment.

h) Read, understand and sign-off on our employee agreement and consent to drug and/or alcohol testing form. See Appendix 3.

2) Potential new hires for FBO positions corresponding to FH Directors (DOM, DFO, Accountant) are to be screened and interviewed by the appropriate FH director for an additional input to the GM’s decision to hire or not. For example: mechanic interviewed by DOM; cook interviewed by DFO; accountant interviewed by CFO or Controller.

3) Police Background Check. As a Part 139 airport, all new hires are to undergo a law enforcement background check. Convicted drug offenders and or convicted felons may not be hired as employees for any position without the approval of the COO. Requests for such a waiver must be made in writing to the COO with copy to GC with accompanying justification. Waiver can only be considered if the individual can receive airport security credentials.

4) New Hire Pay.

a) For Arizona, California, New York, Oregon and Washington: All new hires are to be started at $1.00 over state minimum wage with an additional $0.50 added at 90 days followed by an additional $.050 at 180 days.

b) For Florida, Kansas, Louisiana and Mississippi: Continue to hire at $10 per hour, with a bump of $.50 added following the 90-day trial period.

c) At the end of six months, all new personnel should be at $2.00 over minimum wage at all of our locations.

5) Existing Employees. Pay raises for existing employees will continue to be done in conjunction with their anniversary date. Existing employee pay will not be raised automatically as a result of an increase in state minimum wage unless failure to do so would have them below minimum wage. So, the axiom that a (rising tide floats all boats), equally, does not apply here. The means to make such an adjustment is with the annual anniversary pay raise. However, if an existing employee falls under the minimum wage +$2 and has been with the Company for more than 6 months, an adjustment may be made to increase that individual to the state minimum +$2. Note: notify Scott and Mike in advance if you have an employee that falls into this category.

6) Assessment Based Pay "bumps"/raises. All bumps and pay raises are to follow a deliberate assessment and performance counseling of the employee. Bumps and raises are not automatic. Underperforming new employees should not be continued beyond their 90 and 180 day "trial" periods. Underperforming existing employees are to receive performance counseling and placed on a performance improvement plan (PIP) that outlines what they need to do to both continue their employment and receive a pay raise. PIP's are to be written and placed in the employee's personnel record with a copy to the employee.

7) Probationary Periods. New hires are in a probationary status for training, suitability and decision to continue beyond probation.

a) 0-90 Days. At the end of this period the appropriate manager (CSR or Line Service) recommends to the GM to continue the employee. At this point the employee should be counselled in writing on strengths and needed improvements. Also, at this point, the GM is to require an on demand drug test and, if negative, raise the starting wage by $0.50/hr.

b) 91-180 Days. During this period training and evaluation continues with a goal of a fully trained employee that requires minimum supervision. At the end of this period, counseling occurs as above and the GM is to raise the employee's wage an additional $0.50/hr.

5) See Appendix 1, New Hire Checklist; Appendix 2, FH Drug and Alcohol Screening Policy, Appendix 3, FH Employee Agreement and Consent to Drug and/or Alcohol Testing Form.

C. Drug and Alcohol (D&A) Testing Policy.

1) The nature of our business mandates that we do everything we can to ensure aviation safety, preclude injuries, mitigate possible damage to aircraft, and do our part to guarantee airport security.

2) D&A testing is mandatory for all employees at all FHG locations. Such testing will consist of pre hire, on demand and routine or random testing. As a general guideline, we use Omnibus Transportation Employees Act of 1991, DOT&FAA regulations (49CFR and part 40&14 CFR part 120) and DOT and FAA Handbook on drug and alcohol testing. Hiring process for new personnel will include written acknowledgement of this requirement and an initial test. Potential new hires must attest that they have not had any instance of a previous drug test failure.

3) Prescribed Medications. All personnel must notify their GM of any prescribed medication that could result in drossiness or instability or any other medical condition which may make them unsafe to be around aircraft, vehicles or fuel farms.

4) On demand testing.

a) Required: GM is to order an on demand (D&A) test immediately following an incident/ accident involving an aircraft (damage to an aircraft, fuel related incident on an aircraft, etc).

b) Required: GM is to order an on demand test for observed or reported behavior that causes him to believe that an employee is under the influence of alcohol or drugs.

c) Random 100 percent drug testing may be required by the GM at his discretion if felt appropriate.

d) New employees are to receive a no notice on demand test as they approach the end of their 90-day probationary period and before they receive their 90 day pay hike.

5) Failure of a D&A test is a mandatory cause for immediate dismissal. Refusal to submit to a D&A test is also cause for immediate dismissal. If a GM feels that there is justification for retaining any employee that failed a drug test, the GM must first discuss with the COO and then follow up with an e mail justification to the COO, copying the CEO and Legal Counsel. Approval must be in writing.

6) See Appendix 3 FHG Drug and Alcohol Policy and Drug Testing Acknowledgement Form.

D. Compensation. FH employee compensation consists of wage or salary, annual bonus and paid time-off (PTO).

E. Pay period. Employees will be paid on a two-week cycle. The pay cycle begins on Saturday and extends for two weeks, ending on Friday. Employees are paid on Friday following the end of the pay period. Paychecks may be distributed after 3:00 pm on Thursday. Direct deposit is available to all employees. GMs should encourage employees to use direct deposit. Formal accounting procedures have been issued by the CFO that detail the procedures the GM and the FBO accountant must use to process payroll.

F. Vacation. Effective January 1, 2014 this policy was combined with the Sick Policy to for the Paid Time-Off (PTO) Policy. The detailed policy is located at the end of this document.

G. Sick Pay. Effective January 1, 2014 this policy was combined with the Vacation Policy to for the Paid Time-Off (PTO) Policy. The detailed policy is located at the end of this document.

H. Holiday Pay. Effective November 1, 2018, if an hourly employee works on Thanksgiving, Christmas or New Year's, we will pay time-and-a-half (1.5x their rate). For example, if a lineman makes $12.00 per hour and works the holiday, they will be paid $18.00 per hour instead of the $12.00 per hour for each hour worked on any one of those 3 days. This does not apply to any other holiday throughout the year. The policy is not changed with respect to hourly employees who do not work those days.

As a clarification, this does not apply to salaried (exempt) employees as the salaries related to those individuals already include holidays.

I. Bonuses. Employee bonuses are distributed at the annual Christmas party and are based on FBO business year performance, and GM annual appraisal of the employee. Additionally, GMs get a "true-up" of their bonus within the first 4 months of each year based upon the actual results of the prior year. There are 4 components to the final calculation: 1) Net Operating Income Profit vs Budget; 2) Gallons Sold vs Budget; 3) GM Performance; and 4) a discretionary amount determined by the owner and corporate officers.

J. Pay Advances. As a general rule, we do not loan money to employees. In exceptional circumstances, approval by the COO is required followed by consultation with the CFO on pay collection procedures. Following consultation with the CFO, GMs may advance up to two weeks' pay to an employee in good standing in an exceptional case. Employee must agree that the amount will be collected from his/her pay over a period not to exceed 90 days or six pay periods. Employee must also agree that should the employee leave for any reason that the advance will be recovered from pay due and or accrued PTO.

K. Appraisals and Performance Counseling.

1) Appraisals. Annual Appraisals of employee performance must be completed in the 30 days preceding the GM - corporate officer phone meeting regarding annual Christmas bonuses. The appraisal and FBO business year results are the two significant factors in determining actual bonus amounts.

2) Performance Counseling. The goal of counseling is to improve employee performance. FBO supervisors and managers are responsible to the GM for continuous performance counseling of all employees. These should occur at 30 and 60 days for new employees and as noted in Paragraph 3.B, above, is required at 90 and 180 days to coincide with pay increases. The GM must do the same in conjunction with appraisals for their managerial and supervisory personnel. All counseling must be documented in the employee's file and should form the basis of the annual assessments, pay raises and promotions.

3) Remedial Counseling. Remedial is performance counseling; but with a difference. Such counseling is required when an employee is not performing to standard, not complying with FHG policies or standards or not meeting MAI standards. It differs from performance counseling in that it is accompanied by directed steps and actions that must be taken and a timeline when corrective action(s) must be completed. Like performance counseling, remedial counseling must be documented on a Performance Improvement Plan (PIP) form and a copy provided to the employee. However, in this case, the counseling must be signed by the employee, his or her supervisor and initialed by the GM.

L. Dismissals. There are three types of dismissals.

1) For Cause: Failure to Perform to Standard. Terminating or "firing" an employee for cause should follow failure by the employee to take the corrective action as outlined in his/her remedial counseling and written Performance Improvement Plan (PIP). This type of dismissal will be termed and documented as "For Cause: Failure to Perform to Standard" followed by details, such as habitually late, misses work without an excused absence, poor attitude, does not follow the MAI COM for courtesy, customer service, does not follow proper procedures; inattention to detail, etc.

2) For Cause: Dismissal for Misconduct. There are, times and circumstances where an employee will be dismissed immediately or following an investigative process. Typically, this would be for something that was clearly egregious. Dismissal will then be termed and documented as "For Cause: Misconduct" … (followed by reason). Some examples are theft, failure of a drug test, drug or alcohol use on or immediately prior to shift, sexual harassment, assault, creating a hostile work environment, verbal altercation with a customer; etc. See Appendix 5 for by State policies for dismissals.

3) Incompatibility/unsuitability. This is a “not for cause” criteria for personnel who do not fit in, are not suited to the position for which hired, etc., but are otherwise a good employee, such as “failure to perform”, this separation follows performance counseling. The first 90 days of employment, an employee is considered to be on probationary status. Incompatibility issues should be identified and acted upon by the GM during this probationary period.

4) All dismissals must be documented. Employees dismissed for cause are to be given a written letter or memo. If employee is no longer available, file as a memo for record. Copies such documentation are to be sent to the GC.

5) Because of the relationship of dismissal characterizations and state laws governing eligibility for unemployment, GMs must follow the guidelines for their state (See Appendix 5 State Requirements for Dismissals for Cause). As a matter of practice, the GC is to be consulted on “for cause” dismissals.

M. Suspensions. The GM may suspend an employee without pay for up to one pay period. This is a “for cause” action that must be documented and accompanied by remedial counseling as above. It is normally used to:

1) Get the attention and alert an otherwise good or good potential employee who is not responsive to other actions.

2) Provide time to conduct an inquiry into the circumstances surrounding an accident or incident centered on the actions of the employee.

N. Uniforms and Grooming Standards.

1) All FBO personnel are to conform to and comply with the uniform requirements and grooming standards in the Million Air Common Operating Manual or "COM" and “Personal Best Practices”.

2) Lineman will wear the standard MA "COM" uniform shirt with the following FHG additions: US Flag on left shoulder and, as an option, combat veterans may wear their "combat patch" on their right shoulder or above the right breast pocket. NATA Safety First Patches are to be worn on the left sleeve below the US Flag and the 212 patch is to be worn on the right sleeve. Hat options: FHG Baseball cap or MA "boonie"/sun hat for warm weather and MA "watch"/stocking cap in winter. Note: Locations operating as Freeman Jet Centers will comply with the MA COM except that branding will be Freeman Jet Center and not MA.

3) In addition the standard lineman shirts and jackets, all linemen are to "wear" approved hearing protection, eye protection and have whistles and optic gloves (to be used in marshalling aircraft during daylight hours) as part of their standard uniform. SPF 50 or greater sun protective cream/lotion must be stocked/available in the line room.

4) Cafe personnel are to wear standard cook’s jackets and caps or hair nets and comply with state and local ordinances regarding cleanliness and dress.

5) Mechanics are authorized standard blue mechanics shirts and trousers or coveralls. Exception is when a lineman is dual slotted as a mechanic as well. Then, when on the line, he is to wear line uniform.

6) Departing personnel are to be required to turn in MA and or FHG branded uniform garments.

O. Employee Recognition. GMs are expected to create and maintain a positive, leadership-based climate and culture that takes care of their team (employees) while also maintaining high standards as articulated herein and in the Million Air COM. To this end, GM's are encouraged to create programs that recognize excellence and achievement.

1) Recognizing and thanking employees. GM's are encouraged to recognize outstanding employees and or team completion of a major/significant event. Costs associated with such recognition are to be borne by the company and GM's are asked to use good judgment in application. Each FBO is authorized to spend $100.00 per employee annually on employee recognition programs and incentives.

2) Such employee recognition can take many forms. For example, gift card as an "impact award"; pizza party for the team after a significant aircraft servicing operation; etc.

P. Prevention of Sexual Harassment (SH) and Hostile Work Environment (HWE). These two are not necessarily the same; but they are frequently related.

1) For FHG, there is a clear no tolerance policy for either of these and begins with the GM creating a positive, courteous and respectful work environment.

2) In the event that an employee claims to be a victim of either one of these, the GM must notify the COO by phone, with follow-up written summary to COO copying, General Counsel and CEO.

3) In most cases, the COO will direct an independent investigation of SH or HWE. If an internal (to the FBO) investigation is approved by the COO, a final e-mail report will be submitted to the COO by the GM with copies to the CEO, CFO and General Counsel. See Section 12, Legal.

4) All Accusations of SA or HWE directed against a GM will be investigated by the COO using independent investigator or team. See Section 12, Legal.

5) The following definitions apply:

a) Sexual Harassment: "a form of sex discrimination that involves unwelcome sexual advancement, requests for sexual favors and other verbal and physical conduct of a sexual nature" (DOD definition). Key here is how the person that is the recipient of the unwanted and inappropriate behavior see's it or perceives it. Note: The nature of physical contact could constitute sexual assault with both criminal and civil implications.

b) Hostile Work Environment: "a hostile work enviornment can result from the unwelcome conduct of supervisors, coworkers, customers, contractors or anyone else with whom the victim interacts on the job and the unwelcome conduct renders the workplace atmosphere intimidating, hostile or offensive."

Q. Employee Discounts. There are only two types of recognized/approved FHG employee discounts.

1) Meals. The price charged our employees for Café' meals is 40% off the published menu price.

2) 100LL Fuel. Fuel discount applies to aircraft flown by an employee only. It does not apply to fractional ownership aircraft flown by other owners or loaned aircraft. It also does not apply to flight school aircraft if our personnel are taking lessons.

a) Into plane from a fuel truck. The employee discounted price for 100LL from a truck is $0.40/gal over the cost of fuel. This is the average break-even price, taking in to account fully burdened labor cost, maintenance on equipment, etc.

b) Self-serve 100LL will be the published price of $0.25/gal. This price is already at or very near the break-even point depending on location.

Section 4. Financial.

A. General.

1) Exceptions to these financial policies must be approved by the CFO.

2) When hiring an accountant, the FH Controller and CFO are to be used in the screening and selection process.

3) Each FBO has an account that submits daily, weekly, monthly and quarterly data to the FH Controller who is responsible to the CFO for FBO accounting processes and procedures, FBO financial reporting, internal controls, auditing and compliance. FBO accountants "report" to the Controller on a "dotted line" basis. However, they report directly to the GM who is responsible for and must be aware of all aspects of FBO finances.

B. FH will only accept the following methods of payment for services. Exceptions must be approved by the CFO.

1) Cash. Cash proceeds are to be deposited into the FBO's local bank account.

2) Checks (personal and corporate). Checks greater than $1,500 are to be deposited into the FBO's Stanley Bank checking account. Checks under $1,500 may be deposited into the FBO's local account. Checks should only be accepted by know customers. Checks should never be accepted by transit customers.

3) Credit Cards. Visa, Mastercard, American Express, Discover are acceptable means of payment.

4) Avfuel Contract Fuel Cards. Avfuel contract cards are acceptable as a form of payment only when the transaction has been preauthorized by Avfuel via an Avfuel Preauthorization Notification.

5) Avcard. Only for World Fuel Services FBOs.

6) Alliance Card. Only for World Fuel Services FBOs.

7) U.S. Government Aircard. This form of payment is acceptable for fuel uplifts and other DLA approved services into U.S. military, U.S. Government and approved U.S. Government contractor aircraft only.

8) Colt Air Cards. This form of payment is acceptable when the FBO has an agreement with Colt, a subsidiary of World Fuel Services.

9) Monthly Billing. This extension of credit is available to monthly hangar tenants only for hangar rental. GMs are encouraged to set up automatic monthly credit card transactions for hangar tenants.

C. Each FBO will have bank accounts set up by the CFO: Formal accounting procedures have been issued by the CFO to the FBO accountant with the details they must use to manage each of these accounts.

1) Local Bank Account. This account will be located at a bank near the FBO. It is to be used for emergency payments of local purchases when credit has not, or cannot be extended to the FBO. It may also be used to deposit checks under $1,500.00 accepted at the FBO. The CEO and General Manager will be authorized to sign on this account. Additional signatories are to be authorized by the CFO. To maintain proper controls, the individual creating the check should not be the same as the individual signing the check; therefore, it is strongly encouraged to not have the local accountant as a signor on any bank accounts. Account balances are to be maintained at a maximum of $5,000.00 and any overages are to be deposited in the Stanley Bank general account. Any exceptions to this must be approved by the CFO. This account will be replenished by a check drawn on the Stanley Bank corporate account.

2) General Bank Account. An account will be maintained at Stanley Bank for deposits and disbursements. All disbursements and deposits related to FBO activity are to be transacted through his bank account unless noted otherwise in Paragraph 4.C.1.

3) Payroll Account. An account will be maintained at Stanley Bank for the disbursement of all payroll activity. This includes payroll, tax payments (federal, state and local), Aflac, and any garnishment activity. Any other disbursements from this account must be preapproved by the CEO or CFO.

D. Petty Cash Box. Each FBO will have a petty cash bank to accommodate transactions that require cash. Cash proceeds from the Café and front desk will be deposited into the cash box immediately. This account is to maintain a balance not to exceed $500.00. Any excess cash is to be deposited into the local bank account. Each FBO is responsible for identifying a secure place to store the cash box.

E. Check Signing Procedures. The disbursement of funds to pay for FBO expenses are to be made from the Stanley Bank corporate operating account. Checks are to be prepared by the FBO accountant on an as needed basis to ensure that all vendors are paid within 30 days of receipt of an invoice. Checks are to be sent FedEx (2-day delivery) to the CEO for signature. Checks will be signed and returned to the property via FedEx 2-day delivery. Formal accounting procedures have been issued by the CFO that detail the procedures the FBO accountant must be used to process and pay accounts payable.

F. Product Pricing.

1) Fuel Pricing.

a) The CFO will publish any changes to fuel pricing guidance and update as needed.

b) The pricing (markup) of fuel products (Avgas, Discounted Avgas, Jet A, Discounted Jet A, Avfuel Contract, Military Contract, Mogas and Diesel fuel) is fixed by CFO guidance instructions. However, in some circumstances a GM may need to discount Avgas and Jet A. This is considered to be exceptional and used only when necessary and must be approved by the CFO. When used, discount must be within thirty cents per gallon of the established retail price.

c) GMs are authorized to extend a $0.30 discount to base customers that hangar their aircraft with the FBO.

2) Formal accounting procedures have been issued by the CFO that outline the procedures the FBO accountant must use to determine fuel pricing each week.

3) Ground Handling and Cargo Pricing. This pricing will be standardized throughout FH. Changes to the Ground Handling Price Sheet will be communicated to the properties by the COO or CFO. These services are priced to the customer assuming a Captain's Check will be presented for payment of services. In the event a credit card is presented, a 3% "convenience fee" is to be added to the invoice.

4) Ramp and Facility Fees: The FHG Ramp and Facility Fee Schedule identifies the standard ramp and facility fees by type of aircraft. Ramp fees are waived with a Minimum Fuel Purchase. The facility fee is not waived. These fees do not apply to U.S. Military or to based customers. Freeman Holdings Group FBOs have two fees, except for based customers and U.S. Military. See Appendix 6 for these fees.

Section 5. Operations.

A. Meetings.

1) There will be one mandatory FH management meeting per year for corporate officers and GMs. These are viewed as both business reviews and team building meetings. Additional meetings or cancellation of meetings in any given year will be at the discretion of the CEO.

2) Normally the annual GM meeting will occur within the first 4 months of each new business year (BY). The goal of this meeting is to review business performance of the previous BY, trends, issues and discuss adjustments for the new business year.

3) Whenever possible, GM meetings will be scheduled to coincide with an FBO Grand Opening.

B. Accident and Incident reporting.

1) Definition. For the purpose of this policy, an accident or incident is any event at a FH location that: involves FH personnel, vehicles or equipment that could result in death or injury; that results in property damage which could result in an insurance claim and or civil suit; a fuel spill which requires a report to the airport, local or Federal authorities and, or which could result in an fine or negative official report; any weather incident or other event resulting in any of the foregoing or business interruption lasting more than 24 hours (airport closure, total loss of power, etc.). Additionally, any serious incident or verbal or physical altercation involving a customer falls into this reporting criteria.

2) Reporting.

a) Within one hour of the incident/accident the GM is to notify the COO by voice with an initial accident or incident report **[Note: call COO is on his cell; if not answered, then send text: "call me ASAP", followed by call to his home phone] COO contact information must be available at the CSR desk.** If the GM is absent from the FBO and cannot be reached, then the next senior employee on site is to call the COO.

b) If for any reason the COO cannot be reached, then the GM is to call the CEO on his cell phone.

c) For accidents or incidents, the GM is to follow up the initial report with updated reports by voice or email as additional information becomes available. A final written summary and close out report is due within five working days once all facts are known, and resulting action(s) are completed.

3) Lessons Learned. Within two weeks of the incident, the GM is to send a summary and lessons learned to fellow GMs and corporate officers.

4) Any incident or accident involving an aircraft that is departing or has departed and received fuel will result in the following:

a) Immediately isolate the fuel truck and pull a fuel sample. Keep the truck out of service until released by the agency conducting investigation or as approved by COO.

b) Take a fuel sample from the applicable fuel farm tank. If possible, isolate the fuel tank involved.

c) Obtain an on demand D&A test on the lineman involved.

d) Report as above.

C. Vehicles and Equipment. FH vehicles, tools and equipment are for business purposes only. They may not be used by FH FBO employees for personal reasons.

D. Police transport of prisoners. Police officers are always welcome in our FBOs. However, when they are transporting prisoners, we will not allow the prisoners to wait in the FBO or use FBO Rest Rooms. Similarly, we will not allow prisoners to be transported in our crew cars or vans. This policy has to do with liability issues and with appearances/customer anxiety.

E. Personnel sent from one FBO to Assist Another.

1) Before asking for outside assistance from another FHG FBO, the GM must exhaust maximum use of overtime to alleviate the personnel shortage and attempt to solve the problem internally before seeking external reinforcement.

2) The GM at receiving FBO must request such help from COO at least two weeks prior to the requirement.

3) The receiving FBO will bear all costs of such assistance to include, but not be limited to: normal pay of personnel sent; overtime associated with missing personnel at sending FBO; travel, lodging, food, rental cars if used, and all other direct and indirect cost.

F. Marshalling Signals.

1) Lineman are to be trained on proper signals. To this end, linemen are to trained and qualified on MAI 212. This includes the correct lineman uniform, with approved optic gloves, wands and or lighted batons.

2) Proper marshalling signals and associated equipment are a must due relationship to safety and insurance. The GM, LSM and shift supervisors are expected to rigidly enforce proper signals and proper uniforms as an essential fist line of defense in insuring ramp safety.

G. Cones.

1) Like proper uniforms and signals proper coning of aircraft is an essential ramp safety measure. Four-point coning of aircraft also has implications that are rooted in our insurance requirements and the rates we pay.

2) All aircraft on the ramp are to have four point cones immediately following chocking of the aircraft.

3) In cases where multiple aircraft arrive and depart in the same timeframe and are marshaled on the same line such as military trainers, then: place nose and tail cones on each aircraft and outboard wing cones on the two end aircraft.

4) For aircraft with engines mounted below the wings, additional cones are to be placed in front of engines of each engine. For example, a Boeing 737 or an Airbus 320.

5) Cones must be positioned so as to be visible to the pilot.

6) All cones must have reflective bands.

7) Replace old, faded and discolored chocks and cones as necessary for visibility and appearances purposes.

H. Wing Walkers. Moving/towing/pushing aircraft by line personnel is the single biggest cause of damage to aircraft and also the single biggest accident or incident expense. In addition to the deductible, it impacts our insurance rate at the accident FBO location and potentially at all of our locations.

1) Wing walkers are required when moving aircraft in close proximity to other aircraft and when moving by tug in or out of a hanger.

2) Wing walkers are to have and use whistles to signal the tug operator.

3) CSRs, aircraft crew or other ramp personnel may be used as wing walkers as an exception so long as they are given instructions, part of the tow briefing, and are provided with whistles.

4) Pushing aircraft into or pulling aircraft out of a hangar with only one wing walker is to be done in exceptional cases only and must be approved by the GM for each instance.

5) Wing walkers must have and use whistles to communicate with the tug operator.

6) CSRs are to be trained as wing walkers (need vests and whistles).

[Note here: insert towing PowerPoint as Appendix 7]

I. Cargo Operations (for FBOs authorized and equipped to conduct such operations).

1) Definition. For FHG purposes, cargo operations require authorization, specialized cargo handling equipment (such as forklift, deck loader, K-loader, other) and personnel trained and certified to operate cargo handling equipment.

2) Authority to conduct such operations must be approved.

3) All cargo operations must be supervised by either the GM, line service manager; or a supervisor who is qualified in operating cargo handling equipment. Exceptions to be approved by COO.

4) Cargo equipment operating in the vicinity of aircraft must have a ground guide trained in cargo operations.

5) Personnel operating cargo handling equipment must be trained and certified to OSHA, industry and equipment manufacturer standards. Training and certification of cargo qualified lineman must be documented

6) All operations in proximity to aircraft must have a ground guide trained in cargo handling directions and signals.

J. FHG FBO “sub-contractors” (cleaning teams and baggage handling teams).

1) Companies and their personnel that we bring in to provide services such as aircraft cleaning and baggage handling are to be in a FHG FBO provided T-shirt or vest. They must be neat in appearance and courteous in demeanor.

2) Such personnel are to be escorted and supervised by an FBO supervisor at all times on the ramp.

3) Companies providing such teams must provide their own supervisor or “person in charge”.

4) Such team personnel must comply with all of our “ramp rules” such as food, beverages and cell phone use on the ramp.

5) Such personnel are not authorized to drive, move or operate our vehicles, or ramp equipment.

K. Hangars.

1) Hangars are for aircraft. They may be used for FBO GSE on a space available basis if not leased to tenant aircraft or used for transient aircraft. Ground vehicles, including tenant vehicles are not to be parked in our hangars. Hangars are to be free of combustibles, flammables, clutter, debris and FOD. GSE with engine block heaters may not be left unattended in hangars while engine block heaters are plugged-in.

2) Aircraft in hangars must have a minimum five-foot separation or "halo" of any part of the aircraft between any other aircraft, hangar wall, hangar protrusion, GSE or other object that could damage the aircraft.

3) Liquid Oxygen stored in hangars must comply with OSHA requirements and must also be approved for storage by the airport fire marshal.

L. Conditions Impacting Flight Operations. Any condition that cancels or limits flight operations for more than 24 hours must be reported to the COO.

M. SAVE Report Template. The template that Million Air uses to guide and record its inspections is to be used by GMs for internal assessments of his FBO's adherence to MA standards. Ideally these internal assessments should occur every quarter. However, they will be conducted at least twice a year.

N. CSI. We have agreed with MAI to use CSI for all non-military aircraft. Training on this system is available through MAI. Do not enter military tail numbers into this system.

O. DLA Energy inspections or visits. Notify the COO by text or e mail with cc to CEO and CFO immediately following any inspection or visit by DLA Energy. Include the name of the DLA Energy visitor and results of the inspection or visit.

P. Use of crew cars and crew vans. These vehicles are for the use of our customers. There is no charge for their use. However, the vehicles must be signed out properly using the CFO provided sign-out for in Appendix 8**.**

Section 6. Fuel Operations. Fuel is the most critical aspect of our business. It is truly a “zero defects” area of FBO operations, involving fuel farms, fuel trucks, fuel filters, samples, certifications, documentation, spill prevention, environmental compliance and safety of personnel, equipment and aircraft. At its core good fuel operations mandate that we insure the quality of fuel, establish excellent training and certification programs and require constant management supervision of all aspects of fuel operations.

A. Fuel Inventory. Fuel is the heart of our business. **FAR (flat-assed rule): "we never run out of fuel"!** Report to COO IAW accident/incident policy whenever fuel inventory reaches a critical stage and either Avfuel or WFS appear to be unresponsive.

B. GM Qualification in Fuel Operations. GMs must be qualified and certified in all aspects of fuel operations. That is, they must be able to do what their line personnel and line managers do in order to know what "right" looks like and help as needed.

C. Training and Certification. Line personnel are to go through a disciplined, fully documented training and certification program with articulated tasks and standards to pass. This is a "formal" block of instruction. OJT based on "tribal wisdom" is unacceptable. Until employee certification is complete, new employees will use the expanded checklist in the most current ATA 103 for daily inspection of fuel trucks and fuel farms. The daily inspection checklist forms will not be used for training. The expanded checklist outlined in ATA 103 will used for training until the new lineman had demonstrated proficiency in daily inspections.

D. Maintenance of Fuel Farms and Trucks (see Maintenance in Section 9). The FBO must maintain accurate records and documentation of the infrastructure involved in fuel operations and fuel quality. The destruction of fuel farm and fuel truck inspections with be in accordance with airline policy or the DLA Energy contract, whichever is longer.

E. Fuel Trucks. Fuel trucks are to be filled to no more than 95% of their maximum capacity. During fueling operations personnel are not to rely solely on the high level shut off when filling the truck or when fueling aircraft.

F. Defueled Product Returned to Fresh Fuel. As a matter of policy, FH FBOs do not recertify defueled product as fresh fuel. However, in unusual circumstances this procedure may be necessary, normally due to inability to store the fuel. In such a case, the GM must contact the COO with the background and rationale. See Appendix 8 for correct procedures.

1) The first priority is to protect the quality of the fuel; ensuring that all Jet A sold meets ATSM D 1655 standards.

2) Determine and document the origin of the de-fuel product and the carrier. If the carrier is domestic and the fuel is verified to be from a domestic source, the de-fuel product can be considered for re-certification at this time. The key here is that the fuel must be from a domestic source in order to be re-certified. Do not mix international defuel product with domestic defuel product.

3) If possible, contact the owner of the de-fuel product and discuss your intent. It is possible the owner may object. If the owner agrees, it is important to document the exact amount of fresh re-fuel we owe the owner.

4) Request a Full Batch analysis from Avfuel or WFS. If Avfuel or WFS QA does not agree, the fuel may not be re-certified to fresh fuel.

5) Upon receipt of the hard copy of the Report of Analysis that confirms the fuel specifications meet ATSM D 1655 standards, call the COO of Freeman Holdings and inform him of your intent. Be prepared to discuss the above items prior to introducing this de-fuel product into your inventory. Permanently retain the Report of Analysis.

6) Report completion of the action to the COO.

G. Fuel Spills and Spill Prevention, Control and Countermeasures Plans.

1) FBO must have a written Spill Prevention and Control Plan (SPCC) that dovetails into the overall airport fuel spill plan. The FBO plan outlines actions taken in the event of a spill. The SPCC should include airport reporting procedures and those of local and state agencies as appropriate.

2) All line personnel must be trained in compliance with the SPCC procedures and LSMs should not only conduct classroom instruction on the SPCC, but, conduct scheduled and unscheduled spill drills. All line personnel are to participate in at least two drills per year.

3) Drill scenarios should account for possibilities on ramp, fuel farm and transit between ramp and farm. Ideally, fuel spill drill would include airport fire department, airport operations and other agencies involved in spill mitigation and reporting. If not possible for each drill, then such a drill must be done at least annually.

4) Spill Kits must be fully stocked and readily available at all times.

5) Report fuel spills to COO IAW Accident and Incident Reporting.

H. Omega Air. FHG and Omega Air Inflight Refueling Services enjoy a close and special business relationship. Omega is unique in that they are the only commercial company to conduct in-flight refueling service for the USN and USMC via their K707 and KDC10 aircraft. The nature of their missions require quick turns and very specific ground support operations. Specific instructions for our support of Omega are at Appendix 10, Omega Handling Procedures. These procedures apply to all FHG locations.

I. Rapid Refueling or "Hot Refueling". Must be pre-coordinated and not “on demand”

1) Such fuel operations are limited to DOD customers only and must be part of the DLA Energy contract for the FBO.

2) The provisions of the FHG Rapid Refueling SOP are to be strictly adhered to (provided separately).

3) Due to the inherent safety risk of such operations, as minimum, a qualified shift supervisor must be present and actively supervising all Hot Refueling operations (ideally it would be the Line Service Manager).

4) No FHG location is authorized to conduct rapid refueling operations.

5) See Appendix 13 for rapid fueling procedures.

Section 7. Miscellaneous.

A. Cell Phones. Cell phones may not be used on the line. Only intrinsically safe communications devices meeting NFPA 407 requirements can be used during fueling operations.

B. FOD. FBO is to have a FOD prevention plan that dovetails into the overall airport FOD plan. FOD sweeps are typically the responsibility of the airport unless stated otherwise by the lease or airport minimum standards.

Section 8. Training.

A. Million Air University. All GMs, LSMs and CSMs must attend Million Air University Initial Leadership Orientation Course (ILO) conducted at MAI at the Houston Hobby Airport.

B. GMs are to be trained and certified on all aspects of line operations as well as CSR counter transactions. GMs are also responsible for insuring that all aspects of training are done to standard: training, maintaining required certifications and training records for all of their personnel.

C. All employees are to have and use the standardized FHG training outline/record sheets. [Note: In process of development] training record: line, CSRs, maintenance and café. Training records are to be initiated during employee in-processing and kept current.

D. Standardized, common Mission Essential Task List or C-METL. These are the tasks that every lineman or CSR is trained on regardless of FBO location. See Appendix 11.

E. Location specific Mission Essential Task List or L-METL. These are individual tasks that do not apply at all locations such as: cargo handling; deice, anti-ice de-fuel; remote rack operations; hydrant system operations; etc. L-METL is to be developed by the GM for his FBO. See Appendix 12.

F. An employee training record is to be initiated as part of new employee in processing.

G. The Aircraft towing power point and accompanying "test" are to be used in line training.

H. Administration training and documentation of training begins on day one.

I. CSR's are to be trained and used as wing walkers in order to meet the personnel required by the PnP for aircraft towing. CSR's are to have vests and whistles for such operations.

Section 9. Maintenance.

A. Each FBO is authorized a mechanic. Personnel hired for this purpose should have the requisite mechanic qualifications. Familiarity with fuel trucks and GSE is a definite plus. When hiring a mechanic, the GM should use the DOM as one of the resume review and interview filters. Ideally, the mechanic reports to the LSM, insuring that the LSM is completely responsible for all aspect of line operations, including maintenance.

B. Maintenance/GSE Shop. Each location is authorized a maintenance/GSE shop. The primary purpose is to conduct maintenance on our vehicles, GSE and other equipment. Secondary purpose is a place to store GSE out of the elements. The shop should be outfitted with the necessary tools, diagnostic equipment and supplies to perform all in house FBO maintenance. When space is available, all GSE not being used should be inside. Every effort to place equipment that is seasonal, such as deice trucks or air conditioner carts should be inside during the off season.

C. Parts. The normal source for parts is NAPA.

D. Maintenance Records.

1) Each vehicle and piece of GSE is to have a "logbook" that details scheduled and non-scheduled maintenance performed. In cases where vehicles or equipment are transferred to another FHG locations, the maintenance records are to be sent to the gaining location.

2) Invoices pertaining to maintenances are to be annotated with vehicle or GSE ID; part and cost also annotated in the logbook.

3) Internal accounting and maintenance procedures and controls must track costs against each piece of equipment.

4) GMs are to audit log books on a scheduled and unscheduled basis; but not less than twice annually.

E. Mercedes Benz Crew Cars. All scheduled and unscheduled maintenance on these is to be performed by the local authorized MB service shop or by/through Hertz.

F. GSE Oil Changes. Required every 100 hours of operation, or annually, or, in the case of new equipment, as required in the operator's manual.

G. Fuel Truck Oil Changes. Required every six months or as specified in the operator's manual.

H. Crew and other vehicles (except Mercedes Benz) oil changes are required every 3000 miles.

I**. Infrastructure Maintenance.** Maintenance of fuel farms, buildings and grounds are subject to the terms of our lease at each FBO location. Not all are the same. It is imperative that the GM, LSM and maintenance personnel know what we are responsible for and what the airport is responsible for.

1) Buildings and Grounds. These are to be maintained to the highest standards, including custodial. FBO responsibilities for grounds maintenance is normally contained in the FBO lease.

2) Fuel Farms. These are critical to our business. Maintenance and records are, therefore, also critical, including and especially farm filters. Fuel Farms are not to be used for storage.

3) Documentation of infrastructure is the same as that for vehicles and GSE.

Section 10. Food Operations.

A. There are essentially two different food operations models; with cafe and without cafe.

B. Bogus Bucks. These are essentially food vouchers/coupons given to crew customers that purchase fuel. Customers pay $1.00 and with the coupon receive a meal. These coupons are to be available to all fuel buying crew regardless of fuel quantity purchased.

C. Café Operations.

1) Understanding the variables that contribute to the fluctuation of the Cost Per Gallon (CPG) metric is critical to identifying potential problems. Therefore, each GM is responsible for producing the necessary documentation to clearly identify a significant monthly increase or an upward trend in their café CPG. This requirement will cause the GM to demonstrate the mechanics of the CPG increase.

Documentation will detail the impact the following variables are having on the CPG: Inventory Control, Cost of Goods (COGs), Million Air Bogus Buck Program, pricing analysis, and gallons sold.

2) Cafés must have all required licenses, food-handler certificates for cooks, and records as required by state and local authorities.

3) Café personnel must be neat, well-groomed and wear clean cook's jackets and hats/caps at all times while at work. Café areas are to be neat and clean at all times with a "clean as you go" approach. When closing the café, personnel are required to clean and put away all items; clean all work areas; clean coffee, soda and ice cream areas; clean and arrange tables and chairs and clean kitchen and cafe floors. Cooks will strictly adhere to State or Local hot hold and cold hold food safety temperatures.

4) FBOs must use the inspection documents provided by MAI for cleaning and sanitizing soda and coffee bars.

5) GMs should schedule assistance visits by the FH DFO at least once a year or as soon as possible after hiring a new café manager.

6) The café manager is required to conduct a monthly inventory, with pricing, and submit it to the FBO accountant, and a copy to the FH DFO.

7) GMs are encouraged to use the DFO when hiring new food personnel.

8) Maintenance and equipment costs associated with cafés are accounted for under food operation costs.

D) Food operations without café. The GM is to have one or more "authorized" restaurants with negotiated rate and use of bogus bucks for crew to use. Alternatively, our personnel can pick up meals called in by crew ahead of time. Again, all costs are to be captured and applied against food operations. GMs should negotiate a per meal cost at an authorized restaurant.

Section 11. Purchasing.

A. Approved Vendors. We have certain vendors that are to be used exclusively for the following items:

1) CSR uniforms: Million Air and the ICO Store.

2) Line and mechanic trousers: Local purchase.

3) Linemen optic/reflective shirts, jackets, gloves, etc.: Million Air

4) Radios: Call COO.

5) Computers, software, phones and all other electronic devices: call CFO.

6) Automotive/maintenance supplies and parts: NAPA (local).

7) FBO Amenities: Million Air, Extreme Promotions and local purchase.

B. Vehicles and Equipment. Purchases of vehicles, GSE, etc. will be made from the consolidated equipment list by the COO, in conjunction with the FH Director of Maintenance (DOM). Procedure: The GM initiates through the COO a requirement that is placed on our equipment requirements list. DOM

ICW, and GM, Topeka will then “source” the equipment (locate and determine price). DOM will then determine condition. Source, price and condition then go to COO for a decision to buy. Shipping is to be arranged by the DOM.

C. GMs Purchase Authority. As a general rule, GMs are authorized to purchase consumables; routine maintenance, including parts; equipment repair; minor repair of facilities; etc. Purchases or repairs that exceed $1000.00 should have two-three estimates and approved by the COO. When in doubt, ask.

D. Documentation. All purchases and or service orders must have a proper invoice from the vendor or provider before a payment can be made. Vendors will not be paid in cash.

E. Payment of Vendors. Timely payment of vendors and providers is an important part of doing good business, our reputation in the business world and to avoid late charges. We should never have a late payment on any valid invoice or bill.

F. Company Credit Cards. FHG issued VISA credit cards are for business purposes only. They may not be used for personal reasons. Use of company credit cards for purchase of supplies or equipment in excess of $1000.00 must be approved by the COO (normally such purchases should be off of an invoice paid by check or wire transfer).

G. Travel and Meals.

1) Travel Arrangements. FHG travel is to be arranged through Shelia Reynolds in the Mountain Home Office.

2) Meals. There is no prescribed limitation on pricing for meals and associated alcohol. However, it is expected that discretion and good stewardship will be used. A good rule of thumb is to view such as you would on government TDY/per diem.

Section 12. Legal.

A. FHG General Counsel (GC).

1) GC is available to all GMs for advice and assistance pertaining to leases, agreements, accidents/incidents, employee dismissals for cause, accusations of sexual harassment or hostile work environment, or any matter with potential legal or liability implications.

2) GC is to be copied on any and all reports going to the COO regarding accidents or incidents, negative personnel matters, etc. Note: CEO and CFO are also copied on such reports.

3) GC is to be consulted on all employee dismissals characterized as “for cause”.

B. Leases. The GM must be the FHG expert on the terms of the FHG lease or leases associated with their FBO. The GM is responsible to ensure that FHG adheres to all the terms of the lease, amendments to the lease and airport minimum standards. GM must also track key dates on the lease such as renewals, modifications, CPI adjustment dates, etc.

C. Governmental Ethics.

1) GMs may not provide goods or services free to Federal Governmental employees, including U.S. Military unless it is of "nominal value". Some examples of acceptable nominal value gratuity are:

coffee, soda, cookies, popcorn, FH coins and caps, etc. Use of crew cars and vans that are available to all crew customers is also acceptable. Free meals are not acceptable. The DLA Energy approved dollar meal program as outlined in the Food Operations in Section 6 above is acceptable.

2) The same basic rule or guideline applies to governmental organizations/units and or aircraft crews. If goods or services are provided as complimentary or discounted for governmental entities, they must also be similarly avail to non-governmental organizations or crews. For example: crew cars and crew vans.

D. Freeman Holdings Group Directed Investigations. The COO can or will direct an “independent investigation” under any of the following conditions:

1) Any accusation made against a GM; any accusation of sexual harassment; any accusation of hostile work environment; a single, significant accident/incident or a series of accidents or incidents.

2) The COO will name a qualified serving or past GM to conduct such investigations. In cases involving possible sexual harassment directed against a female employee, the investigation “team” will have a female employee to aid the investigative process.

3) The GC will be a fundamental part of the investigative process from start to finish and will be copied on all correspondence relating to the incident and subsequent investigation.

4) The investigative process used will consist of a 360-degree interview process of all FBO employees. All interviews will be documented.

5) Before concluding the investigation and finalizing its report, the lead investigator will schedule a phone conference with the COO and GC.

6) Final written report will be concluded before the team departs and sent to COO with copies to GC and CEO.

Section 13. Advertising, Marketing and Donations.

A. As a general rule, all "donations" must have an intrinsic advertising and marketing value. Priority for all FHG locations is to programs that support wounded military personnel; that support Soldier, Sailor, Marine or Airmen programs at local bases; that support military family programs; etc. A donation letter or receipt is required for all donations and will need to be forwarded to the corporate office for tax purposes.

B. All locations are also to support airport sponsored events and related such as air shows, teams, charitable events, etc.

C. Aviation Trade Shows and Conferences.

1) Military Conferences and Conventions, Trade Shows such as NBAA, Schedulers and Dispatchers and Regional Forums.

a) FH will provide a booth and personnel to participate in the following events: Army Aviation Association of America (AAAA); Airlift Tanker Association (A/TA); Air Education and Training Command (AETC) Symposium; Tailhook Reunion; Marine Corps Aviation Association (MCAA); National Defense Transportation Association (NDTA), ANG and USAFR Quarterly Scheduling Workshops.

b) A lead GM will be assigned for each of these who will be responsible for membership in the organization, arranging for booth space and shipment, personnel coverage, travel and hotel arrangements (through FH Travel Coordinator), etc.

c) Attendance will normally consist of two GMs, two CSRs for the larger conferences and when we provide and or man a booth.

d) Wage scale employees who support these events will be paid normal hourly pay plus any overtime.

e) Spouses are not authorized at these events unless that spouse is also an FHG employee (based on exception/grandfather policy in Section 3).

f) Dress will be normal FBO attire: slacks and FH shirts for the men and CSR suit for the ladies.

2) Civilian Trade Shows/Conferences. In addition to military conferences, FHG also participates in the following civilian aviation related venues:

a) National Business Aviation Association (NBAA); both annual and quarterly and the Canadian Business Aviation Association CBAA).

b) Schedulers and Dispatchers (S&D); both annual and quarterly.

D. Requests to support other events and or to spend money on marketing or advertising are to go to the COO for approval.

Section 14. Paid Time-Off (PTO) *(formerly known as Vacation and Sick Time)*

A. Freeman Holdings Group (FHG) believes employees should have opportunities to enjoy time away from work to help balance their lives. FHG recognizes employees have diverse needs for time off from work and has established this paid time off (PTO) policy to meet those needs. The policy contains provisions for vacation time and sick leave. The benefits of PTO are that it promotes a flexible approach to time off. **Employees are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies or other needs that require time off from work.**

B. This policy became effective on January 1, 2014 and replaced the previous Vacation and Sick Time policies.

C. Eligibility. All full-time and part-time employees are eligible for PTO based on the schedule in the "Accumulation and Payment of PTO" in E below. However, if an employee is part time, PTO will be calculated on a pro-rated basis for the hours worked during that particular week worked. Employees working less than 20 hours per week on a regular basis, on-call and temporary employees are not eligible to accrue PTO.

D. Availability. Accumulated PTO is available for use in the pay period following completion of 90 days of employment. All hours thereafter are available for use in the pay period following the pay period in which they are accumulated.

E. Accumulation and Payment of PTO.

1) Accumulation of PTO is based upon paid hours up to 2080 hours per year, excluding overtime. Employees consistently working less than 40 hours per week and at least 20 hours per week will earn PTO hours based on hours worked during the week divided by 40, then multiplied by the respective

accumulation rate. Length of service determines the rate at which the employee will accumulate PTO. PTO does not accumulate on extended unpaid leaves of absence. Employees become eligible for the new higher accumulation rate on the first day of the pay period in which the employee's anniversary date falls.

2) The following schedule illustrates the PTO days and the accumulation rate of hours per pay period for full-time employees (Note: A "year" is based upon your anniversary date):

a) First 90 days of employment, no PTO days are available or accumulated.

b) Beginning the 91st day of employment up to the first anniversary date, an employee will accumulate PTO hours of 1.33 per pay period. There will be no p***ayment upon termination*** section for employees with less than one-year of service. See paragraph I below.

c) At an employee's first anniversary date, 40 hours will be added to the employees PTO balance.

d) Beginning the pay period after the employee's first anniversary date and up to the end of their 3rd year of employment, each employee will accumulate PTO at a rate of 4.00 hours per pay period.

e) Beginning the pay period after the employee's 4th anniversary date and up to the end of their 9th year of employment, each employee will accumulate PTO at a rate of 5.54 hours per pay period.

f) Beginning the pay period after the employee's 10th anniversary date, each employee will accumulate PTO at a rate of 6.15 hours per pay period.

F. No PTO hours will accumulate beyond 320 hours at any point in time. For any individuals with a balance of more than 320 hours as of July 1, 2014, those hours in excess of the 320 limit will not be immediately lost. However, no additional accumulation of hours will occur until the PTO balance goes below the 320-hour limit and any excess vacation over the 320 hours must be used by December 31, 2015, at which time any hours over the 320 hour limit will be forfeited.

G. Use and Scheduling of PTO.

1) Whenever possible, PTO must be scheduled 2 weeks prior to taking or using your time off for vacations, personal leave appointments or other reasons. It is not guaranteed and subject to the GM's approval, department staffing needs and established departmental procedures. Unscheduled absences will be monitored. An employee will be counseled when the frequency of unscheduled absences adversely affects operations and or customer service. The GM may request the employee provide a statement from his or her health care provider at any time concerning the justification for an unscheduled absence. PTO may not be used for missed time because an employee reports late to work, except during inclement weather. PTO is paid at the employee's straight time rate. PTO is not part of any overtime calculation. Employees are required to use available PTO when taking time off from work with the exception of a company-required absence due to low workload or absences occasioned by the company. PTO may be taken in increments as low as one hour. When PTO is used, an employee is required to request payment of PTO hours according to his/her regularly scheduled workday. For example, if an employee works a six-hour day, he/she would request six hours of PTO when taking that day off.

2) At the sole discretion of the GM, PTO balances may go negative, but no more than 16 hours' total. In these cases, the advanced leave and will show up on the employee's paystub as negative hours owed until they accrue enough hours to bring the balance positive. If an employee is terminated for any reason, any negative balance will be deducted from the employee's final pay.

H. Procedure to schedule PTO.

1) Notices are to be documented on a Time-Off Request Form and are to be given to the GM for approval then to the accountant/office manager to be processed in payroll.

2) To receive PTO, it is the responsibility of the employee to understand the following:

a) Employee will find out the number of vacation hours that they have available and fill out a Time-Off Request Form.

b) Employee will give the form to the General Manager for approval. This should be done in enough time for the General Manager to arrange the schedule to accommodate the request.

c) The time off request is subject to manager approval and is not guaranteed.

d) The General Manager will approve/disapprove the Time-Off Request form and give the form to the accountant to process.

e) The number of hours requested, combined with the employee's working hours for the week are not to exceed 40 hours total.

I. Payment upon Termination. If employment is terminated for any reason whatsoever before an employee's first anniversary date, there is no payment of PTO hours accumulated upon termination, unless state law requires otherwise. After one year of employment, an employee will be paid upon resignation, separation or retirement for all PTO hours accumulated but not used in accordance with state law requirements. Employees whose positions are eliminated through a reduction in force or reorganization are paid PTO on the effective date of the termination.

J. Cash Out. Under no circumstances is PTO to be exchanged for cash during an individual's employment.

Appendix 1 – New Hire Check

Documents to be completed by Applicant:
Job Application – To be placed in Employee Folder
Pre-Employment Drug Test – To be placed in Employee Folder
USCIS Form I-9, Employment Eligibility Verification – Used to verify citizenship and placed in Employee Folder
Freeman Holdings Drug Testing Consent Form – To be placed in Employee Folder
IRS form W-4 – Used to input information into Paylocity and placed in Employee Folder

Documents to be provided by Applicant:
Driver's License – To be placed in Employee Personnel Folder
Birth Certificate – To be placed in Employee Personnel Folder
Passport if Applicant has one – To be placed in Employee Personnel Folder
Direct Deposit Information – Used for direct deposit information in the Paylocity System and to be placed in Employee Personnel Folder

State Specific Documents:

California
DE-4, California Tax Withholding
DE-34 Report of New Employee
DE-35, Notice to Employees
DLSE-NTE, Wage Theft Prevention Act (Non-exempt employees only)
DE 2511, Paid Family Leave Insurance pamphlet
DE 2515, Disability Insurance Provisions pamphlet
DWC Form 9783.1, Time of Hire Pamphlet
DFEH-185, Sexual Harassment Pamphlet
DFEH-188, California Family Rights Act pamphlet
Domestic Violence Leave Notice
Form EITC, Earned Income Tax Credit Form

New York
Notice and Acknowledgement of Pay Rate and Paydays, Form LS-54 – To be placed in Employee Folder
Employee's Withholding Allowance Certificate, Form IT-2104 – To be placed in Employee Folder

Appendix 2 – Drug and Alcohol Screening Policy

Date:

To: All Freeman Holdings, L.L.C., d.b.a. Million Air Employees

From: (name), General Manager, Million Air

Re: Drug and Alcohol Screening Policy

At Freeman Holdings, ______________, L.L.C., locations d.b.a. Million Air, we must do all we can to mitigate the consequence of an employee who misfuels an aircraft or the high cost of an aviation accident. We must provide a safe and drug-free work environment for our clients, the flying public, and our contract and noncontract employees. It is a widely accepted best practice by the Federal Department of Transportation, the Federal Aviation Administration in the civilian aviation industry for employers to conduct the systematic drug and alcohol testing of employees that service aircraft. The following policy for existing and future employees of Freeman Holdings, ______________, L.L.C., d.b.a. Million Air is effective today.

Freeman Holdings, ______________, L.L.C., d.b.a. Million Air explicitly prohibits:

The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on all Company premises or while performing an assignment.

Being impaired or under the influence of legal or illegal drugs or alcohol away from Freeman Holdings, ______________, L.L.C., d.b.a. Million Air premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Million Air reputation and compromises safety.

Possession, use, solicitation for, or sale of drugs illegally away from the Freeman Holdings, ______________, L.L.C., d.b.a. Million Air premises, adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Million Air reputation and compromises safety.

The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company or its customers, or while on company business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

Freeman Holdings, ______________, L.L.C., d.b.a. Million Air will conduct drug and/or alcohol testing under any of the following circumstances:

PRE-EMPLOYMENT: Pre-employment drug testing is something that some employers choose to do for applicants. **Due to cost containment concerns, pre-employment drug testing will be restricted to final candidate(s) for a position**.

RANDOM TESTING: Employees may be selected at random for drug and/or alcohol testing at any interval determined by Freeman Holdings, ______________, L.L.C., d.b.a. Million Air.

FOR-CAUSE TESTING: Freeman Holdings, L.L.C., ______________, d.b.a. Million Air may ask an employee to submit to a drug and/or alcohol test at any time it feels that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.

POST-ACCIDENT/FUEL SPILL TESTING: Any employee involved in an on-the-job accident, injury or fuel spill under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event will be required to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was or could have been injured, but also any employee who potentially contributed to the accident, injury or fuel spill event in any way.

When an employee is directed to take a For-Cause, Post-Accident or Fuel Spill test he or she will report to the contracted testing company within the time designated by the General Manager but no longer than 24 hours.

If an employee is tested positive for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be terminated from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

General Manager
Million Air

Appendix 3 – Employee Agreement and Consent to Drug and/or Alcohol Testing

I hereby agree, upon a request made under the drug/alcohol testing policy of Freeman Holdings of ______________, L.L.C., d.b.a. Million Air to submit to a drug or alcohol test and to furnish a sample of my urine, breath, and/or blood for analysis. I understand and agree that if I at any time refuse to submit to a drug or alcohol test under company policy, or, if I otherwise fail to cooperate with the testing procedures, I will be subject to immediate termination. I further authorize and give full permission to have Freeman Holdings of ______________, L.L.C., d.b.a. Million Air, or its third party drug testing company, to send the specimen or specimens so collected to a laboratory for a screening test for the presence of any prohibited substances under the policy, and for the laboratory or other testing facility to release any and all documentation relating to such test to the Freeman Holdings of ______________, L.L.C., d.b.a. Million Air and/or to any governmental entity involved in a legal proceeding or investigation connected with the test. Finally, I authorize Freeman Holdings of ______________, L.L.C., d.b.a. Million Air to disclose any documentation relating to such test to any governmental entity involved in a legal proceeding or investigation connected with the test.

I understand that only duly-authorized Freeman Holdings of ______________, L.L.C., d.b.a. Million Air officers, employees, and agents will have access to information furnished or obtained in connection with the test; that they will maintain and protect the confidentiality of such information to the greatest extent possible; and that they will share such information only to the extent necessary to make employment decisions and to respond to inquiries or notices from government entities.

I will hold harmless Freeman Holdings of ______________, L.L.C., d.b.a. Million Air, and any testing laboratory the Company might use, meaning that I will not sue or hold responsible such parties for any alleged harm to me that might result from such testing, including loss of employment or any other kind of adverse job action that might arise as a result of the drug or alcohol test, even if a Company or laboratory representative makes an error in the administration or analysis of the test or the reporting of the results. I will further hold harmless Freeman Holdings of ______________, L.L.C., d.b.a. Million Air, and any testing laboratory the Company might use for any alleged harm to me that might result from the release or use of information or documentation relating to the drug or alcohol test, as long as the release or use of the information is within the scope of this policy and the procedures as explained in the paragraph above.

This policy and authorization have been explained to me in a language I understand, and I have been told that if I have any questions about the test or the policy, they will be answered.
I UNDERSTAND THAT THE COMPANY WILL REQUIRE A DRUG SCREEN AND/OR ALCOHOL TEST UNDER THIS POLICY WHENEVER I AM INVOLVED IN AN ON-THE-JOB ACCIDENT, INJURY, SERIOUS FUEL SPILL UNDER CIRCUMSTANCES THAT SUGGEST POSSIBLE INVOLVEMENT OR INFLUENCE OF DRUGS OR ALCOHOL IN THE ACCIDENT OR INJURY EVENT, AND I AGREE TO SUBMIT TO ANY SUCH TEST. Initials: ___
Have you ever tested positive or refused to take a DOT or non-DOT pre-employment drug or alcohol test at other companies or government agency you have applied for, whether the positions was a safety-sensitive transportation position or not, during the previous two years. Initials: Yes___ or No___

________________________________	____________________
Signature of Employee	Date
________________________________	
Employee's Name - Printed	
________________________________	____________________
Million Air Representative	Date

Appendix 4 – Dress and Code of Conduct for Million Air Employees

Customer Service Representatives:
- Make up (face powder/cream, blush, lipstick and mascara) must be worn and applied neatly in complimentary colors at all times.
- Lip color must be refreshed and evident at all times.
- Hair must be styled and look professional at all times.
- No buns or pony tails, no wet hair, no hair clips unless style is approved by the General Manager.
- No faddish hairstyles or unnatural hair colors are permitted.
- Jewelry that is coordinated and chosen will be worn as a team at each shift at the front desk.
- No additional jewelry accept wedding rings will be allowed.
- Black heeled pumps should be worn at all times, peep toe is permitted, no wedges.
- Uniforms will be professionally tailored to fit correctly for every new garment distributed.
- Uniforms should be pressed or dry cleaned to maintain a new and crisp appearance.
- If you smoke or are around others who smoke, your uniforms must be free of the smell of cigarette smoke. Hand washing, mints, odor eliminators shall be used to remove the smell of cigarette smoke on your person.
- Nail polish color should be professional, no exotic nail art or length. Polish should be clean if worn naturally or if painted should be without chips. Neutral colors or complimentary colors should be worn.
- No blues, blacks, greens, purples, etc. Cuticles should also be maintained to a clean, neat appearance.

Line Service Professionals:
- Eye and facial makeup are not permitted.
- Earrings, nose rings, or other facial piercings are not permitted.
- Facial hair is to be well groomed and professional.
- Hair must not extend below the top of shirt collar.
- Ponytails are prohibited.
- No faddish hairstyles or unnatural hair colors are permitted.
- Fingernails should be neatly trimmed, no colored polish permitted.
- Uniform apparel should be clean and ironed.
- Shirts should be tucked in, belt worn at all times.
- Wear only approved footwear.

Attitude/Personality
- Stand up, smile and greet every customer that walks through both front doors (ramp and street)
- Always look into the eyes of the person you are speaking to. Do not look away or turn your head while speaking to your guest.
- Always, Always smile and shine
- Be friendly and courteous at all times
- Always be responsive to customers' needs, willing to help
- Tone of voice should always be appropriate and polite
- Body language should display attentiveness and professionalism
- Every customer in the FBO should be identified and cared for until their exit

This signature acknowledges that I have been given a copy of this Policy summarizing the Company's requirements as a Brand Ambassador to Million Air. It is my responsibility to read and understand the contents. It is also my responsibility to adhere to the practices as stated within this document. I am aware that this Policy in no way alters my status as an at-will employee.

______________________________ ______________________________

Print Name Signature

____

Date

Appendix 5 – State Requirements for Dismissals For Cause.

Appendix 6 – Ramp Fees and Facility.

Appendix 7 – Towing PowerPoint

Appendix 8 – Crew Vehicle Sign Out Record

Appendix 9 – Aircraft Defuel Product Checklist

Checklist for the recertification of de-fueled Jet A.	
1) Protect the quality of the fresh fuel supply, ensuring that all Jet A sold meets ATSM D 1655 standards.	
2) Determine and document the origin of the de-fuel product and the carrier. [1]	
3) If possible, contact the owner of the de-fuel product and discuss your intent. [2]	
4) Request a Full Batch analysis from Avfuel or WFS. [3, 4]	
5) Upon receipt of the hard copy of the Report of Analysis that confirms the fuel specifications meet ATSM D 1655 standards. [3, 4]	
6) Report completion of the action to the COO. [5]	

Notes:
[1] If the air carrier is domestic, and the fuel is verified to be from a domestic source, the de-fuel product can be considered for re-certification at this time. Do not attempt to re-certified or mix international defuel product with domestic defuel product.
[2] It is possible the owner may object. If the owner agrees, it is important to document the exact amount of fresh re-fuel we owe the owner.
[3] If Avfuel or WFS QA does not agree, the fuel may not be re-certified to fresh fuel.
[4] Fuel System Icing Inhibitor may need to be added to the fuel to bring the level to specification for those FBOs that have FSII premixed fuel.
[5] Be prepared to discuss the above items prior to introducing this de-fuel product into your inventory. Permanently retain the Report of Analysis.

Appendix 10 – Omega Handling Procedures

1. Background: Omega Air Refueling Services, Inc., a subsidiary of Omega Air, Inc., is the only commercial in-flight re-fueling service used by the Navy. Currently, Omega is flying a KDC-10, as well as, 2 K-707s. The aircraft are maintained by a subsidiary of Omega Air, Inc. called Seven Q Seven. Omega will use Freeman Holdings FBOs for fuel when they receive a mission from the Navy to support a training exercise. For most CONUS missions, Omega will utilize the K-707s. The KDC-10 is best suited for 'dragging' aircraft overseas, but will be used for routine CONUS missions, if needed. Over a span of a few short years, Omega has become an important customer of Freeman Holdings, representing vast quantities of Jet A sold, as well as lucrative future operations. To date, Freeman Holdings enjoys an amicable business relationship with Omega for a variety of reasons, but most importantly because we put in place equipment and practices that enable Omega to consistently fulfill their requirement to the Navy and Marines where other FBOs do not.

2. Purpose: To ensure future Omega operations are conducted successfully at Freeman Holdings locations, this procedure will define the typical type of missions, equipment requirements and actions the FBO can take that will encourage Omega to consider all of our locations as a base.

3. Scope: An Omega mission usually lasts several days and might last for several weeks. Daily flights may include 'quick turns', which Omega tends to limit to 45 minutes. It is typical to experience no-fly days during an Omega visit. Omega planners will provide the FBO with a schedule and daily updates are provided by the flight crew and maintenance staff. Our FBOs must be prepared to support Omega maintenance personnel during no-fly periods. For reference and planning, the KDC-10 can upload a maximum of 30,000 gallons and the K-707 can upload a maximum of 20,000 gallons.

3. Procedures:

A. Quick Turns: A quick turn is the essential operation. All other requests Omega makes are routine. As previously noted, Omega may insist on a 45-minute limit for a quick turn. To do that, it is imperative that the FBO pre-positions the following equipment at the parking spot, per plane:

(1) 2 ea 10K fuel trucks
(2) 90 KVA GPU
(3) Air Start (can be tasked to cover more than one plane)
(4) Stair Truck and Crew Stairs

B. It is prudent to have back-up systems available for a quick turn. Omega may be hesitant to return to a location if fuel availability and GSE is unreliable in these time sensitive situations.

4. Over-Night/Long Term: There will be extended periods of time that are no-fly periods and Omega will require support. In addition to routine fuel requirements and quick turns, the following list amenities will enhance Omega's stay:

(1) Prime aircraft parking spot
(2) Nitrogen Kit
(3) Forklift
(4) B-1 Stand
(5) Bulk waste fuel/oil disposal (55-gal drum)
(6) Storage for FEDEX deliveries (consider purchasing a storage shed from Lowes or Home Depot)
(7) Space for storage of items such as tires and other large parts; consider 25' x 25' as a planning figure.

Considerable maintenance is done during a mission window when the plane is not flying. The maintenance techs will work every day, to include weekends during a mission. Creating a sense of team with the mechanics is mutually beneficial.

5. Administrative Considerations: CSR staff has a huge role to play in coordinating Omega visits, as well as, the usual invoice and payment scheme. The below listed tasks are the bare administrative essentials:

A. CSRs will facilitate routine coordination activities with Omega. They should become familiar with Omegas' two VP of Operations:

Ryan Murphy, call sign 'Murf' (RyanMurphy@omegaairrefueling.com) and
Robert Proano, call sign 'Sprout' (RobertProano@omegaairrefueling.com).

B. Omega uses two methods of payment that are determined by the type of mission they are conducting. If they are flying on United States Navy contracted hours, they will pay by using the KHI Blue Air Card. If they are flying for any other reasons, such as repositioning themselves or flying for another government, they will use World Fuel Services. On occasion, they will split the fuel load and pay using both methods. Typically, the Omega maintenance staff will advise the CSRs concerning payment, however, CSR staff must develop the habit of asking the maintenance staff how to bill for fuel prior to invoicing to avoid misunderstandings.

C. Omega will be invoiced for fuel only. If the airport demands landing or parking fees, contact Carl or Scott for guidance.

D. All Omega/7Q7 employees will be offered Million Air Bucks.

E. Omega employees have Hertz Gold Card member status, however, the FBO should consider giving them priority use of at least one premium crew car. 7Q7 techs will use rentals.

4. Airport Considerations: Each Freeman Holdings location has unique capabilities, circumstances and airport policies. Our goal is to provide Omega with the same experience at each of our locations, to the extent possible. Below are three topics the GM should address with his airport manager:

A. Badging and ramp access

B. Maintenance on the ramp

C. Fees

Appendix 11 – Common Fueling Task List (C-METL).

Appendix 12 – Location Specific Task List (L-METL).

Appendix 13 – Rapid Refueling

1. Rapid Refueling is defined as fueling an aircraft while its engine(s) are running. In order to comply with the DLA contract provisions (Clause E1.09, DLA Energy Jan 2012) that sets forth minimum requirements for rapid refueling of aircraft with kerosene based fuels such as Jet A on U.S Government procurement contracts at commercial airports, the following procedures shall be utilized. These procedures are in addition to those established under SPECIFICATIONS (INTO-PLANE) contract provision. The General Manager, defined as the Contractor, is responsible for ensuring all provisions set forth in this Standard Operations Procedures for rapid refueling are complied with in its entirety.

2. PERSONNEL REQUIREMENTS

A. The minimum number of personnel authorized to conduct rapid refueling is two. A shift Supervisor will be placed in charge of each rapid refueling operation and hold responsibility for the overall safe execution and successful completion of the event. Personnel must be positioned in accordance with one of the following options. It is important to note that when rapid refueling Naval Aircraft, the Navy Aviation Technical Publication requires a minimum of three personnel for rapid refueling operations; therefore, it is recommended that option 3 be used for all Naval Aircraft.

B. Option 1:

(1) One at the aircraft refueling receptacle operating the refueling nozzle.

(2) One at the refueling pump operating the deadman control who also serves as a fire guard. In the event of rotor rapid refueling, the fire guard shall be positioned just outside the perimeter of aircraft rotor blades in a manner that affords observation of the entire fueling operation and shall maintain visual contact with the pilot at the controls.

C. Option 2:

(1) One at the aircraft refueling receptacle operating the refueling nozzle and the deadman control.

(2) One serving as the fire guard who shall be positioned just outside the perimeter of aircraft rotor blades in a manner that affords observation of the entire fueling operation and shall maintain visual contact with the pilot at the controls. The fire guard may be an aircrew member from the aircraft, if available: however, it is the Contractor’s responsibility to ensure that a fire guard is present.

D. Option 3:

(1) One at the aircraft refueling receptacle operating the refueling nozzle.

(2) One at the refueling pump operating the deadman control.

(3) One serving as the fire guard who shall be positioned just outside the perimeter of aircraft rotor blades in a manner that affords observation of the entire fueling operation and shall maintain visual contact with the pilot at the controls. The fire guard may be an aircrew member from the aircraft, if available; however, it is the Contractor’s responsibility to ensure that a fire guard is present.

E. Training Requirements. Only fully trained personnel shall be designated for rapid refueling operations, operate the equipment, and perform the positioning requirements above. Personnel designated must have received a Supervisor’s sign-off in their training jacket on all equipment to be employed in the rapid refueling operation. Written procedures shall be in place to include the safe handling of both the fuel and equipment. Rapid refueling designated personnel shall be trained, at a minimum, in the following areas prior to conducting rapid refueling of military aircraft.

(1) Familiarization with standard military aircraft marshaling signals.

(2) Familiarization with specific airframe that will be serviced during rapid refueling.

(3) Be fully briefed prior to each rapid refueling operation to include assignment of duty, responsibility within that duty, and emergency action responsibility.

(4) Required procedures in bonding of military aircraft and commercial refueling systems covered under MIL-STD-1548, latest revision, as supplemented by NFPA 407, "Standard for Aircraft Fuel Servicing" latest revision.

(5) Aircraft Fueling Equipment checks covered under the latest revision of ATA 103, Section 2-8 "Daily Checks on Filter Sumps."

(6) Quality requirements for aviation fuels per the latest revision of ATA 103.

(7) Safety requirements covered under paragraph (e) of this contract provision.

(8) Operation of fire extinguishers to be used.

(9) Fuel spills and firefighting techniques.

F. Qualification Requirements. Only fully qualified personnel shall be designated for rapid refueling operations, operate the equipment, and perform the positioning requirements above. Fully qualified personnel must hold a current NATA Safety 1st Line Service Professional certification and Fire Extinguisher qualification certification.

G. Protective Equipment. The following protective equipment shall be worn when performing rapid refueling. In compliance with NFPA 407 and the Department of the Army's Concepts and Equipment of Petroleum Operations Field Manual 10-67-1, fuel handling personnel are prohibited from carrying lighters or matches on their person during rapid refueling operations.

(1) Fuel resistant gloves

(2) Fuel resistant nonslip shoes or boots, free of metal

(3) Clothing – As a minimum, 100% cotton material shall be worn with Shirtsleeves rolled down and collar buttoned. To prevent static discharge, avoid wearing clothing made of nylon, polyester, rayon, silk, or wool. Note: other suitable safety clothing is available and approved for wear ie., Nomex, etc. Do not wear or carry loose items of clothing. Do not carry anything in shirt pockets; small loose items can easily be suck into the rotor hub. Shirttails must be tucked into the pants. Any head cover worn must be securely fastened.

(4) Chemical splash and impact resistant goggles meeting ANSI Z87.1

(5) Sound attenuating hearing protection that complies with ANSI S12.6

3. EQUIPMENT/FACILITIES REQUIREMENTS

A. Preoperational Vehicle Checks. Due to the increased risk associated with engines running, the following inspections shall be performed prior to beginning rapid refueling operation.

(1) ATA 103 Daily Aircraft Refueling Equipment Checks (form 103.04A) shall be completed in its entirety. Focus particular attention toward any leaks as this will introduce additional vapor into the rapid refueling site. Additionally, during hose and coupling inspection, focus particular attention within 12 inches of the couplings as this is where hose failures and coupling slippage occurs. Any leaks, especially from the nozzle, couplings, or hose shall be repaired prior to beginning rapid refueling operation.

(2) Thoroughly check the condition of the static reel, bonding, and clamps. Perform an electrical continuity check of the static bonding system. In order to minimize static electricity, build up and resistance shall be 25 ohms or less prior to each rapid refueling operation.

(3) Verify that each emergency fuel shutoff control device will completely stop fuel flow within ATA 103 required parameters. Equipment with a defective emergency fuel shutoff system shall be removed from service until the system has been repaired.

(4) Ensure all vehicle fluids, tire pressures, etc. are at prescribed operating levels and vehicle is free of any malfunctions such as backfires, electrical problems, or any other potentially dangerous malfunctions.

(5) Check fuel hose length and bonding cable are the required minimum 50 feet in length. Particular attention should be given to the bonding cable length since a common maintenance practice is to clip off the worn/defective section of the cable near the clamp to bring it back into serviceable condition instead of replacing the entire cable.

B. Required Fuel Servicing Nozzles

(1) Rapid refueling shall be performed using Aircraft Pressure Refueling Nozzles Type I or Type II qualified to the requirements of SAE AS5877, “Detailed Specification for Aircraft Pressure Refueling Nozzle”, or a Closed Circuit Refueling (CCR) nozzle compatible with military aircraft CCR refueling receptacles. The fueling nozzle shall not be capable of dispensing fuel unless mated to an aircraft receptacle. The system must be equipped with deadman control devices.

(2) All aircraft fueling equipment must have separate and independent primary and secondary pressure control devices as stipulated in ATA 103, “Standard for Jet fuel Quality Control”, Section 2-7, Aircraft Fueling Equipment Requirements.

(3) Grounding (bonding) plugs conforming to or equivalent in design to MIL-DTL-83413/4 shall be used when the aircraft being serviced is equipped with grounding (bonding) receptacles. When the aircraft does not have grounding (bonding) receptacles, a grounding clamp conforming to or equivalent in design to MIL-DTL-83413/7 shall be used.

(4) Open port nozzles shall not be used when conducting rapid refueling of military aircraft unless special circumstances warrant their use; i.e., aircraft will not accept a Type I, Type II or CCR nozzle. Prior to any open port nozzle operations, a written agreement between the unit/activity commander to which the aircraft are assigned and the local airport authority and fire department is required.

C. Required Refueling Rates

(1) Mobile servicing equipment (i.e. refueler, hose cart, hose truck, etc) shall be capable of delivering a minimum rate of 200 gallons per minute during single point servicing. Fixed dispensing system(s) servicing directly into aircraft shall be capable of delivering a minimum rate of 100 gallons per minute during single point servicing.

(2) Refueling units shall be capable of delivering a minimum rate of 50 gallons per minute per hose.

(3) For all open port fuel servicing, the maximum delivery rate shall not exceed 60 gallons per minute per hose.

D. Emergency Shutoff. The Contractor's refueling facility shall have an emergency shutoff switch that will enable all pumps connected to the system to be turned off with a single switch in accordance with ATA 103, Section 2-4, Fuel Storage Facility Requirements and NFPA 407, Chapter 4, Design, latest revisions.

E. Required Signs

(1) "NO SMOKING" signs shall be posted within 50 feet of the refueling area.

(2) If no terminal building exists, a "MARSHALING AREA" sign shall be posted. The sign shall not be posted closer than 50 feet from any aircraft refueling point or fuel supply storage area.

(3) "RESTRICTED AREA" signs shall be posted within 50 feet of the refueling area. The required sign is used to help prevent access of vehicles, repair tools, or activities that could pose a spark danger.

(4) An "EMERGENCY SHUTOFF" sign shall be posted within 3 feet of the required emergency shutoff switch on fixed refueling systems. The sign should include simple instructions on how to engage the emergency shutoff.

(5) EMERGENCY RESPONSE information must be posted in Marshalling Area.

F. Required Clearances

(1) Refueling units, fixed and mobile, shall be positioned with enough refueling hose to ensure a minimum distance of 50 feet from the aircraft when in operational use.

(2) Mobile fuel servicing equipment shall be pre-positioned by personnel trained and familiar with performing rapid refueling operations prior to marshalling of the aircraft to be serviced. Aircraft, rotor arc, and fuel truck distances should be measured and clearly marked during pre-positioning.

(3) Buildings shall be located a minimum distance of 150 feet from the aircraft refueling rotor hub.

(4) Minimum spacing required between utility, observation, and attack aircraft during refueling shall be 100 feet as measured from rotor hub to rotor hub. Note: The Army Field Manual 10-67-1 states the CH-47 aircraft serves both utility and cargo categories. All CH-47 rapid refueling operations shall use the cargo spacing requirements listed below.

(5) Minimum spacing required between cargo aircraft and any other type of aircraft during refueling shall be 200 feet as measured from rotor hub to rotor hub.

G. Required Lighting

(1) Ensure that adequate lighting is provided that gives directional guidance that will permit aircraft landing during hours of darkness. Prior to rapid refueling operations at night, all lighting equipment shall be functionally tested for operation. Ground personnel are required to wear reflective vest/clothing for all night operations. In the event that reflective clothing is not available, a ChemLight shall be worn securely attached on the front and aft sides of the upper torso so as to be easily seen.

(2) The Contractor shall ensure that lighting is provided that identifies each refueling point and any refueling equipment during hours of darkness. The intensity of the lighting should ensure proper orientation of the aircraft, but not adversely affect the night vision of the air crew.

(3) The Contractor shall provide and utilize lighted wands or illumination sticks, as agreed to by the supported unit, to marshal aircraft during hours of darkness.

(4) Rapid refueling operations with Night Vision Devices are not authorized.

H. Filtration Requirements: All filtration requirements will be in accordance to ATA 103.

I. Required Fire Extinguishers (the following shall be in accordance with NFPA 407 and NFPA 10, Standard for Portable Fire Extinguishers, latest editions).

(1) A listed fire extinguisher with a minimum capacity for 20 pounds of agent shall be positioned with the fire guard during refueling.

(2) Each aircraft servicing vehicle shall have two listed fire extinguishers, each having a rating of 20-B:C, one mounted on each side of the vehicle.

(3) Each hydrant servicing unit shall have one listed extinguisher having a rating of at least 20-B:C mounted on it.

(4) Where open hose discharge capacity of the aircraft fueling system or equipment is more than 200 gallons per minute, at least one listed wheeled extinguisher having a rating of not less than 80-B:C and a minimum capacity of 125 pounds of agent shall be provided.

J. Fuel Spills during operations

(1) All fuel spills, regardless of size, should be considered a fire hazard.

(2) During any fuel spill or leak, extreme caution must be exercised in rapid refueling operations to avoid actions that could provide ignition sources to the fuel vapors.

(3) All rapid refueling operation briefs shall include a spill contingency plan briefing. Additionally, a spill kit, to include absorbent, shall be positioned at each refueling truck location in a readily accessible location.

(4.) If a leak develops, follow emergency procedures outlined in the spill contingency plan without delay.

(5) At a minimum, the spill contingency plan should include a) stop the flow of fuel and the refueling operation immediately upon discovering leakage or spillage. b) notify the aircrew. c) notify applicable fire response agency.

K. Fuel Spillage on Personnel. If the fuel handler's clothing becomes soaked with fuel, the individual should:

(1) Avoid ignition sources.

(2) Notify the Supervisor in charge and leave the fueling area immediately.

(3) The act of removing clothing creates static electricity. Static electricity further increases in cold, dry conditions. To reduce static electricity, wet fuel soaked clothes with water before removing. If water is unavailable, the person should be grounded to prevent static sparks before removing clothing.

(4) Wash fuel off skin with soap and water as soon as possible.

(5) Seek medical attention.

4. OPERATIONAL RISK MANAGEMENT

A. Site preparation and equipment layout will vary for each location based on ramp location, dimensions, number of refueling aircraft and type, proximity to other aircraft and buildings, proximity to electromagnetic sources, prevailing wind, etc. The following items must be taken into account when planning for rapid refueling operations.

(1) Piston engine rotor aircraft are not authorized for rapid refueling operations due to the fuel systems located above the engine and the dangerous consequences of a fuel leak and accompanying fumes running down onto the engine. Because Avgas has a flashpoint of -51 degrees, sufficient vapors

are liberated to produce a flammable vapor-air mixture under almost all atmospheric conditions. The ignition of gasoline fuel vapor is extremely easy compared to JetA fuel vapor.

(2) A serious danger exists in being struck by the main rotor blades or tail rotor blades. Remember the ends of the main rotor blades droop when the engine is idling which means less clearance at the end of the blades. Always keep your head down when approaching the rotor arc. Approach the helicopter from the side, never from the rear (tip of the tail rotor may be as low as 1 1/2 feet off the ground and the pilot cannot see the tail of the helicopter). If a requirement exists to move from one side of the helicopter to the other, always go around the front, never around the rear.

(3) Rotor wash creates a doughnut shaped pattern rush of wind that blows downward under the blades and then curves up and over which will suck objects into the rotor hub. Keep the refueling area free of trash and debris that could injure personnel or aircraft if sucked up or blown out by rotor or prop wash. Wear only clothing specified in this SOP that is free of items.

(4) The exhaust temperature of an idling turbine engine is between 470 and 500 degrees F and can cause serious burns. Stay away from the exhaust and exhaust vents.

(5) Site preparation and equipment layout must provide adequate space for ingress and egress of Fire response vehicles in case of an emergency as well as designated routes for personnel evacuation if needed. Personnel egress routes should de-conflict with emergency response vehicle ingress routes. Personnel egress routes should also de-conflict with the slope of the terrain in the rapid refueling area to ensure that personnel are not routed through the natural flow of fuel in the event of a fuel spill.

(6) Fuel vapor is heavier than air. This causes vapor to spread for long distances along the ground, flow downhill in no wind conditions, and collect in low places. For this reason, in no wind conditions lay out the refueling points of the refueling operation on higher ground if your location has a slope gradient. For wind conditions, see Safety Requirements section below for site layout during wind conditions.

(7) Static electricity poses a significant risk during refueling operations. Turning rotors continue to generate static electricity as does moving fuel through the fuel hoses and fuel nozzles. This is further compounded in dry atmospheric conditions and windy conditions as dust particles move through the air causing larger-than-usual charges of static electricity. Constant vigilance, especially at night must be maintained to ensure that the bonding cable remains clamped in place and not accidently blown off in the rotor wash, stepped on or inadvertently kicked off during rapid refueling operations.

(8) Electromagnetic Energy. Transferring of fuel is hazardous within 300 feet of the source of electromagnetic energy such as that created when high powered radar operates. A beam of high frequency radar equipment can ignite a flammable vapor-air mixture. It can ignite the mixture by inducing heat in the beam's path, by intensifying an existing electrical charge or stray current into a spark. Therefore the following safety measure when planning a refueling site shall be adhered to:

(a) Do not refuel an aircraft within 300 feet of the antenna of an airfield approach and traffic control radar.

(b) Do not refuel within 300 feet of an aircraft with active weather mapping radar.

(c) Do not refuel an aircraft within 100 feet of an airfield surface detection radar antenna.

(9) Once the site preparation and equipment layout plan is complete, a briefing between the Contractor and aircrew shall take place prior to the refueling operation. Include the following in your brief: Aircraft radar off prior to entering within 300 feet of the refueling site and munitions disengaged "noses cold, switches safe". Radios shall not be used, only intercom and hand signals. Aircraft high level shutoff valves pre-checked (if an aircraft valve fails any pre-check, the aircraft can only be cold fueled).

5. SAFETY REQUIREMENTS

A. The Contractor shall hold a briefing with all Contractor personnel who will conduct rapid refueling operations and the government customer prior to the initial refueling operation for each contract period. This briefing will address safety, Foreign Object Damage (FOD) awareness and any changes to conditions that would affect rapid refueling operations (i.e. weather conditions, wind direction). The Contractor shall document the briefing which will be reviewed annually or as changes occur.

B. The Contractor shall notify the on-site or local fire department each time rapid refueling operations will be conducted.

C. The Contractor shall ensure a FOD walk is completed prior to the first scheduled landing of the day and that inspection shall be documented.

D. The Contractor shall monitor wind direction to ensure aircraft are positioned where the wind cannot blow potential vapors/spray from the refueling receptacle towards the operating engine’s intake.

E. The Contractor shall halt rapid refueling operations when an electrical storm is within the radius of dictated local policy.

F. The Contractor shall not begin refueling until passengers and excess crew members have been deplaned and gone to a safe area.

G. Before commencing the refueling operation, the Contractor shall contact the air crew to obtain assurances that the aircraft radio will not be used to transmit during refueling. Aircraft radios may operate to receive messages during refueling, but radio transmission from the aircraft being refueled is not permitted because of the danger of arcing.

H. Before commencing the refueling operation, the Contractor shall contact the air crew to obtain assurances that armaments are in safe mode.

I. The Contractor shall contact the air crew to ensure that night vision devices will not be used during refueling operations.

J. The Contractor shall contact the air crew to ensure that all doors, windows, and access points allowing entry to the interior of the aircraft that are adjacent to, or in the immediate vicinity of, the fuel inlet ports are closed and remain closed during refueling operations.

K. Contractor servicing personnel will remove or secure FOD hazards such as line badges and other loose items.

M. Emergency fuel shutoff devices shall be operationally checked at least monthly on refueling service equipment.

N. Only intrinsically safe radios are authorized in the refueling area. NO CELL PHONES are allowed in refueling area.

6. RECORDS AND REPORTS REQUIRED

A. Semimonthly check of refueling nozzles and filter screens indicating condition, any necessary corrective action, and date accomplished.

B. Monthly check of fire extinguishers to ensure contents are properly charged and components are not broken. Report indicates condition, any necessary corrective action, and date accomplished.

C. Quarterly check of emergency shutoff switch indicating condition, any necessary corrective action, and date accomplished.

D. Individual records of the qualifications of refueling personnel signed by those personnel and validated by the Contractor's designated representative.

E. Annual review of Rapid Refueling Agreement(s) and Refueling Procedures.

7. PERSONEL PROTECTIVE EQUIPMENT REQUIREMENTS. In addition to the Freeman Holdings LSP uniform, the following items will be worn during rapid refueling:

A. Fuel Resistant Gloves

B. Flame Retardant Coveralls: http://www.pksafety.com/fr-rasco-7-5-oz-orng-coveralls-off753.html

C. Chemical Splash and Impact Resistant Goggles meeting ANSI Z87.1: http://www.pksafety.com/pyramex-capstone-anti-fog-safety-goggles-gg504t.html

D. Ear muffs meeting ANSI S12.6: http://www.northernsafety.com/Product/8494/3M-Peltor-Optime-105-NRR-30-Extreme-Ear-Muffs

8. ROTARY WING AIRCRAFT RAPID REFUELING GUIDE

A. Crew Safety Brief. As a minimum, the air crew will be briefed on the E1.09 safety measures listed below and fueling will not begin until the pilot has acknowledged his/her responsibilities. It may be necessary to provide a sketch to illustrate where aircraft should reposition after fueling is complete.

B. Crew Briefing (Clip Board)

(1) Pilot/Co-pilot remain at controls during entire re-fueling process.

(2) Passengers/excess crew members will exit aircraft and move to FBO/Marshalling Area.

(3) Passengers/excess crew members will not re-board during refueling process.

(4) Crew Chief will act as Fire Guard, if Million Air personnel unavailable.

(5) Doors, windows (access points) adjacent to fueling port shall be closed.

(6) Radio transmissions prohibited during refueling process.

(7) Armaments in “safe’ mode.

(8) Night Vision devices will not be used during refueling process.

(9) After refueling, please taxi to parking and turn in fuel ticket to our FBO with Air Card.

AH-64

UH-60

CH-47

Aircraft	Single Point Location	Overall Length	Rotor Diameter	Fusalage Width	Single Point to Rotor Tip Distance	Truck to Rotor Tip Seperation 50' Hose
AH-64 Apache	Right	58'2"	48'0"	6'3"	21'	29'
UH-60 Black Hawk	Left	64'10"	53'8"	7'9"	23'	27'
CH-47 Chinook	Right	98'11"	60'1"	12'5"	24'	26'
AH-1 Viper	Right	58'3"	47'11"	4'7"	22'	28'
UH-1 Venom	Left	58'4"	48'10"	8'6"	21'	29'
CH-53 Super Stallion	Left	99'1"	78'9"	8'10"	35'	15'
MH-65 Dolphin	Right	38'1"	39'2"	6'8"	17'	33'

AH-1

UH-1

CH-53

MH-65