

Supplemental Agreement to Purchase Order

This Supplemental Agreement to Purchase Order (this “Agreement”) is made as of October 5, 2022, among MD Helicopters, Inc. (“MDHI”), with offices located at 4555 E. McDowell Road, Mesa, AZ 85215, MD Helicopters, LLC (f/k/a MDH Holdco, LLC) (the “Purchaser”) and the City of Huntington Beach, California (“Huntington Beach” and, together with MDHI and the Purchaser, each a “Party” or the “Parties”).

WHEREAS, Huntington Beach agreed to purchase three (3) MD-530F helicopters (each a “Helicopter” and, collectively, the “Helicopters”) from MDHI pursuant to that certain purchase order dated June 18, 2021 (the “Purchase Order”), attached hereto as Exhibit A, which incorporates the pricing, specifications, terms and conditions stated in the Response to Request for Proposal for Police Helicopters, Invitation Number 2021-0504, dated June 15, 2021 (“RFP 2021-0504”), attached hereto as Exhibit B;

WHEREAS, solely in an effort to assist a valued customer (Huntington Beach) to sell or trade-in several used helicopters that it indicated it no longer needed in light of, among other things, its anticipated purchase of the Helicopters pursuant to the Purchase Order, MDHI facilitated (but was not party to) a transaction between Huntington Beach and MD Helicopters Australia (“MDHA”), which is an entity that MDHI represents is not affiliated in any way with MDHI, pursuant to which MDHA agreed to purchase two (2) used helicopters (the “Used Helicopters”)¹ and additional aircraft parts (the “Additional Parts”)² from Huntington Beach (the “MDHA Transaction”);

WHEREAS, in connection with a completely unrelated transaction between MDHI and MDHA, MDHI had received from MDHA the sum of \$200,000.00, of which \$40,000.00 (the “Forfeited Deposit Amount”) MDHI is currently holding as a forfeited deposit by MDHA. MDHI facilitated the sale/trade-in of one of the two Used Helicopters and Huntington Beach received the sums of \$480,000 from MDHI (MDHI in turn received the \$480,000 from MDHA on or about April 29, 2022) and \$160,000 from MDHA on or about June 1-2, 2022, for a total of \$640,000. In exchange, Huntington Beach shipped one of the two Used Helicopters to MDHA on or about June 2, 2022.

WHEREAS, on March 30, 2022 (the “Petition Date”), MDHI and its debtor affiliate (collectively, the “Debtors”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the

¹ Although MDHA had originally agreed to purchase a total of three used helicopters from Huntington Beach, one helicopter was damaged (the “Damaged Helicopter”) before the sale was consummated and, thus, such third helicopter will no longer be sold to MDHA as part of MDHA Transaction. One of the two remaining Used Helicopters was sold by Huntington Beach to MDHA on or about June 1-2, 2022.

² The Additional Parts consist of both new and used aircraft parts specific to the model of helicopters used by Huntington Beach. The parts include all surplus MD520 NOTAR specific parts in Huntington Beach’s inventory, which include Huntington Beach’s spare Rolls Royce C20R/2 engine (CAE# 295892). The Additional Parts will be inventoried and available at the time of the last helicopter sale and have an estimated value of \$400,000.

United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Court”), which cases are currently jointly administered under Case No. 22-10263 (KBO) (the “Chapter 11 Cases”);

WHEREAS, the Helicopters are currently in production and the estimated delivery dates of the Helicopters to Huntington Beach are: (1) October 15, 2022 for the first helicopter; (2) December 2022 for the second helicopter; and (3) January 2023 for the third helicopter. The dates are estimates and are dependent on factors including but not limited to the timing of obtaining FAA certification for the Crash Resistant Fuel System and the timing of Huntington Beach providing any additional customer furnished equipment that Huntington Beach intends to provide to MDHI for installation on the Helicopters prior to delivery (as of the date of this Agreement, Huntington Beach has provided MDHI with most of the customer furnished equipment for the first helicopter, with the remaining customer furnished equipment (consisting of a camera and a search light) expected to be provided by September 2, 2022);

WHEREAS, on June 17, 2022, the Court entered an order [Docket No. 377] approving the sale of substantially all of Debtors’ assets (the “Assets”) to the Purchaser pursuant to Section 363 of the Bankruptcy Code (the “363 Sale”);

WHEREAS, on August 15, 2022, the 363 Sale closed and the Assets were transferred to the Purchaser; and

WHEREAS, in light of the closing of the 363 Sale, the Parties wish to clarify and supplement the terms of the Purchase Order as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and sufficient consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Subject to Paragraph 2, below, the purchase price for each Helicopter as stated in the Purchase Order remains unchanged (the amounts listed as “Section A” purchase prices less the amounts listed as the “1% Discount” plus any applicable taxes) and, for the avoidance of doubt, such stated purchase price shall remain the purchase price for each Helicopter, regardless of the amount of proceeds, if any, that Huntington Beach receives from MDHA (or other third party) in connection with any sale by Huntington Beach of the Used Helicopters and/or the Damaged Helicopter and/or the Additional Parts to MDHA (or other third party). Nothing contained in the Purchase Order or this Agreement shall require Huntington Beach to sell or trade-in the Used Helicopters or the Additional Parts to MDHI, MDHA or any third party, and the timing of any sale or trade-in of Used Helicopters and/or Additional Parts by Huntington Beach is at Huntington Beach’s sole discretion.

2. Notwithstanding the express obligations contained in Paragraph 1 (which remain unaltered in any respect), if (a) the MDHA Transaction is completed prior to the date upon which Huntington Beach is obligated under the terms of the Purchase Order to remit payment to MDHI for the first of the three Helicopters and (b) Huntington Beach provides MDHI with a written (via email) acknowledgment that it has received all amounts due and owing to it from MDHA in connection with the sale of the Used Helicopters and/or the Additional Parts, MDHI will, at

Huntington Beach's written election (via email), either (x) reduce the purchase price of the first Helicopter by the Forfeited Deposit Amount (and retain the Forfeited Deposit Amount as a "credit" against such purchase price) or (y) upon MDHI's receipt of payment from Huntington Beach for the first Helicopter in the full amount set forth in the Purchase Order, promptly remit funds to Huntington Beach equal to the Forfeited Deposit Amount. For the avoidance of doubt, the Forfeited Deposit Amount shall remain fixed (at \$40,000) regardless of the amount of proceeds, if any, that Huntington Beach receives (or does not receive) from MDHA (or other third party) in connection with any sale of the Used Helicopters and/or the Damaged Helicopter and/or the Additional Parts.

3. MDHI represents that the transactions contemplated by the Purchase Order and this Agreement, and amounts paid or to be paid by MDHI to Huntington Beach as part of MDHI facilitating the sale or trade-in of the Used Helicopters and/or the Additional Parts, were approved by MDHI. Further, it is MDHI's view that those aspects of the transactions contemplated by the Purchase Order and this Agreement that have either occurred since the Petition Date and/or remain unfulfilled as of the date of this Agreement, are ordinary course transactions (as that term is used in Section 363 of the Bankruptcy Code) and, thus, pursuant to Section 363(c) of the Bankruptcy Code, were and are authorized to be undertaken without obtaining relief or approval from the Bankruptcy Court.

4. The Parties agree that all payments and monetary and asset transfers made in connection with the Purchase Order and this Agreement, and amounts paid or to be paid as part of MDHI facilitating the sale or trade-in to MDHA of Used Helicopters and/or the Additional Parts, are for reasonably equivalent value and are not subject to avoidance or recovery under any federal or state statutes or on the basis of any legal or equitable theory.

5. Within five (5) business days of the date first above written, Huntington Beach will file a notice of withdrawal or such other pleading necessary to indicate its withdrawal of its proof of claim (claim number 89), filed on July 11, 2022, asserting an administrative claim in the amount of \$780,000.00 against MDHI in the Chapter 11 Cases.

6. The equipment listed on Exhibit C hereto (the "Equipment") is property that Huntington Beach provided to MDHI for installation in the Helicopters. Huntington Beach will provide any additional customer furnished equipment to MDHI for installation on the Helicopters promptly after such equipment is ordered and received by Huntington Beach, and, following shipment of such equipment to MDHI, Exhibit C shall be amended to include such additional equipment. To the extent that Huntington Beach does not purchase one or more of the Helicopters or there is a breach under the Purchase Order or this Agreement, any uninstalled Equipment on any undelivered Helicopters will be promptly returned by MDHI to Huntington Beach.

7. In the event that the Purchase Order and this Agreement are assumed by the Debtors and assigned to the Purchaser under Section 365 of the Bankruptcy Code, the Purchaser will be responsible, upon such assumption and assignment, for all obligations existing under the Purchase Order and this Agreement, including but not limited to all insurance and indemnification obligations. Nothing in this provision or Agreement shall limit or modify the rights of Huntington Beach to seek recovery through applicable insurance policies of MDHI and/or the Debtors related to the Helicopters, the Purchase Order or this Agreement.

8. This Agreement, together with the Purchase Order, sets forth the entire understanding of the Parties regarding the subject matter hereof and supersedes all prior oral or written agreements between them. The Purchase Order and this Agreement may not be changed, modified, amended, or supplemented, except in a writing signed by both Parties. To the extent any terms of the Purchase Order are not expressly modified by this Agreement, including but not limited to the “CITY OF HUNTINGTON BEACH PURCHASE ORDER—STANDARD TERMS AND CONDITIONS,” such terms shall remain in full force and effect.

9. This Agreement shall be deemed to have been drafted jointly by the Parties, and any uncertainty or omission will not be construed as an attribution of drafting by either Party.

10. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first stated above.

**MACD HELICOPTERS, INC. (f/k/a
MD HELICOPTERS, INC.)**

By: Barry A Sullivan
Name: Barry A Sullivan
Title: CEO

CITY OF HUNTINGTON BEACH

By: AL BELINKA
Name: AL BELINKA
Title: CITY MANAGER

MD HELICOPTERS, LLC

By: Brad Pedersen
Name: Brad Pedersen
Title: Chief Executive Officer and
President

APPROVED AS TO FORM

By: MICHAEL E. GATES
MICHAEL E. GATES
CITY ATTORNEY
CITY OF HUNTINGTON BEACH

Exhibit A

Purchase Order



PURCHASE ORDER
City of Huntington Beach
(714) 374-1569 / (714) 960-8878
 Billing Inquiries: (714) 374-1568
 Please send invoices Attn: Account Payable
 P.O. Box 784
 Huntington Beach, CA 92648

Page: 1

This number must appear on Packages and Invoices

Date: 06/18/2021

27204-OP

Branch/Plant: 32140106

Supplier:
 MD HELICOPTERS INC
 4555 E MCDOWELL RD
 MESA AZ 85215-9734

Ship To
 CITY OF HB - POLICE DEPT
 2000 MAIN ST
 HUNTINGTON BEACH CA 92648-2702

Order Date: 06/18/021	Delivery Date: 06/18/2021	Buyer: TURQUOISE SCOTT	Freight:	Terms: Net 30 (Override)
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Pricing, Specifications, Terms and Conditions all in accordance with RFP 2021-0504.

LINE NUMBER	DESCRIPTION/SUPPLIER ITEM	QTY ORDERED	UOM	UNIT PRICE	EXTENDED PRICE
1.000	MD 530F-Helicopter 1 Total Includes Section A: New Helicopter - \$3,254,515.00 Section B: Estimated Sale/Trade-in Value - (\$585,000.00) Estimated Brokerage Fee - \$17,550.00 1% Discount - (\$24,227.33) Estimated Tax - \$252,224.99		EA	0.00	2,915,062.66
2.000	MD 530F-Helicopter 2 Total Includes Section A: New Helicopter - \$3,254,515.00 Section B: Estimated Sale/Trade-in Value - (\$685,000.00) Estimated Brokerage Fee - \$20,550.00 1% Discount - (\$24,227.33) Estimated Tax - \$252,224.99		EA	0.00	2,818,062.66
3.000	MD 530F-Helicopter 3 Total Includes Section A: New Helicopter - \$3,254,515.00 Section B: Estimated Sale/Trade-in Value - (\$1,235,000.00) Estimated Brokerage Fee - \$25,050.00 1% Discount - (\$24,227.33) Estimated Tax - \$252,224.99		EA	0.00	2,272,562.66

Order Subtotal	8,005,688.00
Sales Tax	0.00
Total Order	8,005,688.00

TERMS AND CONDITIONS ON REVERSE FORM A PART OF THIS ORDER

Serena Bubenheim, Principal Finance Analyst
 City of Huntington Beach

**CITY OF HUNTINGTON BEACH
PURCHASE ORDER-STANDARD TERMS AND CONDITIONS**

1. Issuance of this Purchase Order by City constitutes acceptance of Supplier's offer on the terms and conditions stated herein, unless expressly agreed in writing by the City's Purchasing Division, and forms a contract.
2. Supplier's shipment of goods, commencement of any work, or performance of any service shall constitute acceptance by Supplier of this order and all of its terms and conditions. No additional terms or conditions stated by Supplier in acknowledging or otherwise accepting this order shall be binding upon the City unless specifically accepted in writing by the City. No oral agreements shall be binding unless confirmed by a written revision to this Purchase Order.
3. City's obligation to pay the sum herein stated for any one fiscal year shall be contingent upon the City Council appropriating the necessary funds. If the City Council fails to appropriate the necessary funds for any fiscal year, then the Purchase Order shall terminate at no additional cost or obligation to City.
4. Time is of the essence. If at any time Supplier believes that goods, materials, equipment, supplies ("item"), labor or services will not be made as scheduled, supplier shall immediately give written notice stating the cause of the delay to City. Deliveries must be prepaid. City will not accept COD shipments.
5. City reserves the right at any time to make changes in drawings and specifications, in methods of shipment and packaging, and in place(s) of delivery. If necessary, there will be an equitable adjustment in price and time of performance mutually satisfactory to Supplier and City; but any claim by Supplier for such an adjustment must be made in writing within thirty (30) days after such change.
6. Supplier warrants that the items delivered and the work or services performed shall conform to the specifications, drawings, samples or other description specified by City and shall be fit and sufficient for the purpose intended, merchantable, of good materials and workmanship, in good working order and free from defect or faulty workmanship for a period of at least ninety (90) days after delivery. When defective items or faulty workmanship is discovered, Supplier shall provide all labor, materials, parts and equipment to correct such defect or make such replacement at no expense to the City. Defective items not meeting City's specifications shall be held for Supplier's instructions at Supplier's risk and; if Supplier so directs, will be returned at Supplier's expense.
7. Supplier hereby agrees to protect, defend, indemnify and hold harmless City, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with Supplier's (or Supplier's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by Supplier, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of City. City shall be reimbursed by Supplier for all costs and attorney's fees incurred by City in enforcing this obligation. Supplier will conduct all defense at its sole cost and expense and the City shall approve selection of Supplier's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by the Supplier. (12/09)
8. City reserves the right to terminate this Purchase Order, or any part of it, at any time even though Supplier is not in default. On receipt of notice of termination, Supplier shall, unless such notice otherwise directs, immediately discontinue all work on the Purchase Order and deliver, if and as directed, to City all completed and partially completed items and work in process. This section shall not limit or affect the right of City to terminate this Purchase Order immediately upon Supplier's breach.
9. City reserves the right to terminate this Purchase Order or any part of it and reject delivery of items if delivery is not made when and as specified. Supplier shall be charged for any direct losses, but not any consequential damages, sustained by City by reason of such delay or failure, except losses caused by a delay for reasons beyond Supplier's reasonable control. Direct losses shall include any costs to City in excess of the Purchase Order price of obtaining items or services from other sources similar to those terminated or rejected.
10. Supplier shall not substitute items without written approval of the City Purchasing Agent or designee.
11. All license fees for City's use of patented or copyrighted items for items furnished under this Purchase Order shall be included in the Purchase Order price.
12. In cases where a price subject to escalation has been agreed upon, all claims for such price escalation must be received by City within sixty (60) days after date of final shipment. The price escalation shall be shown as a separate item on the invoice. Unless an escalator clause has been shown as a specific part of this Purchase Order, Supplier shall not be entitled to reimbursement for costs incurred due to escalation.
13. All goods and services provided shall comply with the current federal, state and local laws. Supplier shall defend, indemnify and hold harmless City, its officials, employees and agents from any loss, claim, cause of action, liability, cost or expense, including but not limited to fines, penalties, corrective measures, and attorney's fees. City may sustain by reason of Supplier's failure to comply.
14. Supplier shall keep confidential and not disclose or use in any way confidential business or technical information that the City may disclose in conjunction with this Purchase Order or Supplier may learn as a result of entering City property to deliver items or services or to perform work hereunder.
15. The Supplier shall not sell, assign or transfer any obligations resulting from this Order without the specific written consent of the City's Purchasing Division.
16. City's remedies herein are cumulative and additional to any other remedies at law or in equity. The waiver of any breach of this Purchase Order shall not be deemed a waiver of any other subsequent breach. City's failure to object to provisions contained in any communication from Supplier shall not be deemed an acceptance of such provisions or a waiver of the provisions of this Purchase Order.
17. This Purchase Order shall not be amended, modified or rescinded, except by written agreement signed by the parties and expressly referring to this Purchase Order.
18. Any indebtedness of Supplier to City may, at the City's option, be credited against amounts owing by City hereunder.
19. Supplier shall furnish further itemization and breakdown of the Purchase Order price when requested by City.
20. Supplier and its subcontractor(s) shall not discriminate against any person in the performance of this Purchase Order on the basis of race, religion, national origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap or disability, and shall comply with applicable federal and state equal employment opportunity laws, ordinances, rules and regulations.
21. Supplier shall comply with all applicable federal, state, and local laws, rules, regulations and ordinances pertaining to the subject matter hereof, and shall obtain all necessary licenses and permits related to the items, work or services.
22. Supplier, its employees, and agents shall be considered independent contractors and not employees or agents of City.
23. City's purchases are based on its actual needs and requirements; City is obligated to purchase those items and those quantities that City needs and requires, regardless of any estimated quantities provided to the Supplier.
24. The issuance of this Purchase Order does not make Supplier the exclusive supplier of items or services that are the subject of this Purchase Order. THE FOLLOWING ADDITIONAL CONDITIONS APPLY WHEN SUPPLIER IS TO PERFORM WORK ON THE PREMISES OF CITY.
25. If, during the work, Supplier allows any indebtedness or lien to accrue for labor, equipment or materials, which may become a claim against City, Supplier shall immediately pay such claim or indebtedness or cause such lien to be dissolved and discharged by giving a bond and, in case of failure to do so, City may withhold any money due to Supplier until such claim, indebtedness or lien is paid or may apply such money toward the discharge thereof; or City may, at its option, cancel this Purchase Order, take possession and control of the work, and complete the same or cause the same to be completed. Supplier shall pay to City the difference between the Purchase Order price and the actual cost to City in completing or causing the work to be completed.
26. Supplier shall perform the work at Supplier's own risk until the same is fully completed and accepted and shall, in case of any accident, destruction or injury to the work or items before final completion and acceptance, repair or replace the work or items so injured, damaged or destroyed, at Supplier's own expense and to the satisfaction of City. When items are furnished by others for installation or erection by Supplier, Supplier shall receive, unload, store and handle same at site and become responsible therefore, as though such items were being furnished by Supplier under the Purchase Order.
27. Insurance. Supplier shall comply with the requirements of City's current insurance resolution as to general liability, automobile liability, workers compensation and any other product / property insurance requirements.

Exhibit B

RFP 2021-0504

MD HELICOPTERS
MADE IN AMERICA



15 June 2021

City of Huntington Beach
Purchasing
2000 Main Street
Huntington Beach, CA. 92648

Subject: Response to City of Huntington Beach
Proposal for Police Helicopters Invitation # 2021-0504

Attachments: MDHI_HBPD RFP_2021-0504 Final

Head of Procurement, City of Huntington Beach;

MD Helicopters, Inc. (MDHI) has a long-standing partnership of 23 years with the Huntington Beach Police Department (HBPD). MDHI proposes three (3) MD 530F helicopters for your department, the benefits of which will:

- Enable your officers to perform their mission most effectively and safely.
- Maintain similar spares and training base as currently used with the MD 520N helicopter.
- Provide substantial savings (spares and training).

MDHI's roots reach back more than 60 years when, in 1955, Hughes Tool Company, Aircraft Division, first began developing "light helicopters". Today, more than 2,500 aircraft are in service worldwide, serving over 60 police agencies with over 100 law enforcement equipped aircraft. MDHI is proud to be a proven performer for the Law Enforcement mission.

HBPD received their first MD 520N in 1998. Since then aviation technology has grown, the mission has shifted, and aircraft have aged. The new MD 530F is a modern, technically advanced helicopter that continues to serve and protect the public and provide increased levels of safety to its officers. We recognize that you have a no-fail mission, and our helicopters will allow you to meet those demanding requirements.

MDHI customizes its aircraft to meet customer requirements and we look forward to working with the HBPD to customize a program that transitions your current fleet of aged MD 520N aircraft to new MD 530F aircraft seamlessly and without loss of aircraft coverage.

Summary of Proposal:

- **Proposal price.** Valid for 180 days from date of submission.
- **Purchase of three (3) helicopters.** The MD 530F platform is compliant with all configuration requirements set forth per this RFP.

4555 E. MCDOWELL ROAD, MESA, AZ 85215 MD
HELICOPTERS.COM

- **Sale of MD 520N aircraft.** MDHI will facilitate the sale of HBPD current fleet of MD 520Ns:
 - MDHI currently has written offers on all three (3) MD 520N aircraft at retail price (opposed to a lower wholesale price) based on information provided from the HBPD Air Support Unit.
 - The HBPD flight detachment has already reviewed and found these offers for the aircraft and spares to be acceptable.
- **5-year Training Package.** 5-year training program for pilots and technicians at no cost to the City of Huntington Beach.

**Package includes a \$50,000 parts credit to be utilized within three (3) years of Contract Award.*

	Price EA	Total	CHARGE	Notes
Cost of Mesa Pilot Differences Training at MDHI using MDHI Equipment(3 days with 3 flight hours and 8 hours of ground):	\$ 6,800.00	\$ 61,200.00	No Charge	9 Pilots
Cost of Mesa Tech Training (Up to 8 students for 2 weeks): \$3,956 for up to 8 students (2- Students)	\$ 4,685.00	\$ 4,685.00	No Charge	3 Aircraft would typically equate to training for 3 techs.
On Location Recurrent Training for all pilots – 3 Days (5 Days total w/ travel).	\$ 24,000.00	\$ 120,000.00	No Charge	Daily Rate X 5 days not including flight, hotel and transportation
	Total from Above	\$ 185,885.00	No Charge	
\$50K Parts Credit (To be used over a 3 yr period)	N/A	\$ 50,000.00	No Charge	
		VALUE		
Total Incentive Offerings Over 5 Year Period		\$ 235,885.00	No Charge	

- **Sale of MD 520N specific spares to include spare engine.** MDHI will facilitate the sale of the MD520N specific spares and currently has a written offer on all MD 520N spares to include the engine, which is acceptable to the HBPD Flight Detachment. All other MDHI spares can be utilized for MD530FF's.
- **Discount Points.** MDHI offers discount points in the amount of 1.0 if HBPD is willing to provide an upfront payment for the balance due at time of award.
- **20% discount** on parts orders post-delivery (exclusions apply).

Benefits of MDHI Proposal to HBPD:

The benefits of maintaining an MDHI helicopter platform as opposed to an alternate manufacturer:

- **Tooling.** The vast majority of MD 520N tooling can be utilized on the MD 530F. Using an alternate manufacturer may incur substantial investment in specialty tooling to include the training required to use these tools.
- **Training.** MDHI is offering a 5-year training program for pilots and technicians at no cost to the City of Huntington Beach:
 - **HBPD Technicians** are extremely familiar and knowledgeable on the MD product line. The vast majority of current platform knowledge is transferable into a MD 530F. The maintenance specific to the MD 530F is covered in a Maintenance Course that will be supplied by MDHI at no charge.

- **HBPD Pilots** will receive transition training in an MDHI-supplied aircraft to perform normal procedures, emergency procedures, CRM, and high-density altitude training.
- **Inventory.** Transitioning into a new aircraft will require a multitude of parts to be in current inventory. Many of the parts on hand within HBPD Air Support will transfer to the MD 530F platform. This represents an additional cost of ~\$400K if HBPD were to purchase aircraft from a different manufacture:
 - MDHI has facilitated the sale of all NOTAR-specific items from the departing MD 520Ns.
 - MDHI will provide a \$50,000 parts credit to be used within three (3) years of Contract Award.

The undersigned is an official representative of MD Helicopters, Inc. (MDHI) authorized to negotiate on behalf of MDHI with the City of Huntington Beach (The City) on Invitation # 2021-0504 for Police Helicopters.

This project will be managed at the MDHI business address listed below, which is also the MDHI office nearest to Huntington Beach, California.

Company Name: MD Helicopters, Inc.

Name of Authorized Representative: Jason Lindauer

Authorized Representative Title: Director of Commercial Sales

Business Address: MD Helicopters, Inc.
4555 E McDowell Rd.
Mesa, AZ 85215

E-mail: Jason.Lindauer@mdhelicopters.com

Authorized Representative Signature:



Date: 15 June 2021

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
<u>Alan Carr</u>	<u>Sole Director</u>	<u></u>
<u>Barry Sullivan</u>	<u>CFO</u>	<u>480-346-6100</u>
<u>Chris Jaran</u>	<u>COO</u>	<u>480-346-6201</u>
<u>Nick Nenadovic</u>	<u>Sr. VP, Aftermarket</u>	<u>480-346-6927</u>
<u>Jeffrey Adamcik</u>	<u>Deputy General Counsel</u>	<u>480-346-6104</u>
<u></u>	<u></u>	<u></u>

Federal Tax Identification Number: 86-0944088

City of Huntington Beach Business License Number:
(If none, you must obtain a Huntington Beach Business License upon award of contract.)

City of Huntington Beach Business License Expiration Date:



**Response to Request for Proposal
for Police Helicopters**

City of Huntington Beach



Invitation Number: 2021-0504

MD 530F Helicopter

Submitted: 15 June 2021

Submitted to:
City of Huntington Beach
Purchasing

2000 Main Street
Huntington Beach, CA 92648
Planetbids.com

Response from:
MD Helicopters, Inc.
4555 E McDowell Rd. Mesa, AZ 85215

Contact: Jason Lindauer, Dir. Commercial Sales
(O) 480.346.6373 / (M) 480.353.6587
Email: Jason.Lindauer@mdhelicopters.com

MDHI Control No.: MD132041221-HBPD

This document includes information that is the property of MD Helicopters, Inc. (MDHI). This proprietary information, in its entirety, shall not be duplicated, used, or disclosed—directly or indirectly, in whole or in part—for any purpose other than to evaluate this document. If an award is made to MDHI as a result of, or in connection with, the submission of this data, the proprietary information herein may be duplicated, used, or disclosed only to the extent required by the resulting contract.



Response to
City of Huntington Beach RFP
for Police Helicopters
Invitation # 2021-0504
Helicopter Purchase (3) Proposal

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Response to
City of Huntington Beach RFP
for Police Helicopters
Invitation # 2021-0504
Helicopter Purchase (3) Proposal

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B. BACKGROUND AND PROJECT SUMMARY

MDHI offers the MD 530FF as mission-essential equipment to the Huntington Beach Police Department to complete all public safety assignments required for the Air Support Unit.

The MD 530FF platform is a tool the Air Support Unit will utilize to provide assistance for ground-based units engaged in all facets of law enforcement while, serving the citizens of Huntington Beach. MDHI platforms are synonymous with law enforcement agencies as our helicopters are a part of over 60 agencies around the world. The capability, performance, and maneuverability allow the officers to reduce time to target and keep crew coordination, safety, and completion of the mission the top priorities for those in the air and on the ground.

MDHI is a “one-stop-shop” for all of the required resources and the fleet replacement of HBPD helicopters.

Project Summary:

- The purchase of three (3) MD 530FFs.
- Facilitation of the sale of three (3) MD 520Ns – Currently MDHI has an active offer on each MD 520N:
 - A three percent (3%) brokerage fee of the total value of aircraft sale will be charged by the MD 520N Buyer at the time of sale.
 - Offer may differ at time of transfer of aircraft from Seller to Buyer based on time flown between timeframes.
- Facilitation of the sale of all NOTAR-specific spares – Currently MDHI has an active order on all NOTAR-specific spares to include the spare engine:
 - Offer may differ at time of transfer of aircraft from Seller to Buyer based on time flown between timeframes.
- Training – At no cost to HBPD:
 - Initial transition training for up to nine (9) pilots at MDHI facility in Mesa, AZ.
 - On-site recurrent training (HBPD Facility) for four (4) years for up to nine (9) pilots.
 - Initial Maintenance Training for MD 530FF Specific for up to eight (8) students at MDHI facility.
- *Parts Credit* – \$50,000 spares credit to be used within three (3) years of Contract Award.

Delivery:

- First aircraft delivery 6-8 months from Contract Award:
 - Swap one MD 520N to MD 530FF.
- Each subsequent aircraft will be delivered 90-120 days after the previous delivery or as negotiated or required.



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- Example delivery and payment schedule below:

Action	2021							2022						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Allocation of Funds	Execution of PA	Purchase of Spare Engine	Sale of First NOTAR from HBPD					Delivery of First F-Model	Sale of Second NOTAR	Delivery of Second F-Model	Sale of Remaining NOTAR Spares	Sale of Third NOTAR	Delivery of Third F-Model	
Brokerage Fee			\$ 585,000					\$ (3,230,288)	\$ 685,000	\$ (1,230,288)	\$ 400,000	\$ 835,000	\$ (3,230,288)	
Total Transaction			\$ (17,550)					\$ (20,550)	\$ 664,450			\$ 809,950		
Consolidated Running Total	\$ 7,185,864		\$ 7,753,314					\$ 4,523,026	\$ 5,187,476	\$ 1,957,188	\$ 2,357,188	\$ 3,167,138	\$ (63,150)	
Fleet Count	MDS20N	3	3	2	2	2	2	2	1	1	1	1	0	0
	MDS30F	0	0	0	0	0	0	0	1	1	2	2	2	3
	Total Operational Aircraft	3	3	2	2	2	2	2	2	2	3	3	2	3

C. METHODOLOGY SECTION

1) Intent of Specifications

MDHI will comply with all performance, material, and conformity requirements.

1.1) Section 3, Scope of Work, Part A. Aircraft Specifications

Table 1. Aircraft Equipment Compliance Matrix

HBPD Aircraft Requirement	Comply Y/N	MDHI Response
Airframe, Extended Landing Gear with Carbide Skid Shoes	Yes	Standard Equipment
Airframe, Engine Wash Kit	Yes	Standard Equipment
Airframe, Fuselage Hard Points	Yes	Standard Equipment
Airframe, Keyed Locks (4)	Yes	Standard Equipment
Airframe, Passenger Steps	Yes	Standard Equipment
Airframe, Rain Gutter Set	Yes	Standard Equipment
Airframe, Heated Pitot	Yes	Standard Equipment
Airframe, Rapid Door Removal Hinges (Cockpit and Cabin)	Yes	Standard Equipment
Airframe, Tinted Canopy Panels	Yes	Standard Equipment
Airframe, Tinted Door/Window Panels	Yes	Standard Equipment
Avionics, Garmin GTX 345R Transponder, ADSB In /Out	Yes	Standard Equipment
Avionics, (2x) Garmin G500TXi Touchscreen EFIS	Yes	Standard Equipment
Avionics, GTN-650H NAV/COM/GPS	Yes	Standard Equipment
Avionics, Master Avionics Switch	Yes	Standard Equipment
Avionics, L-3 ESI-500, Digital Standby	Yes	Standard Equipment
Avionics, PAI-700 Magnetic Compass, Vertical Card	Yes	Standard Equipment
Avionics, Howell Electronic Engine Instruments and Crew-Alert System (EICAS)	Yes	Standard Equipment
Avionics, ELT, ME-406HM	Yes	Standard Equipment
Avionics, Clock/Timer/USB Ports	Yes	Standard Equipment
Avionics, Garmin GMA 350H Audio Panel	Yes	Standard Equipment
Avionics, Radar Altimeter RA-4500	Yes	Standard Equipment
Documentation, Engine and Airframe Log Books	Yes	Standard
Documentation, Engine Maintenance Manual	Yes	Standard



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HBPD Aircraft Requirement	Comply Y/N	MDHI Response
Documentation, Flight Manual	Yes	Standard
Documentation, Handbook of Maintenance Instructions	Yes	Standard
Documentation, Illustrated Parts Catalog	Yes	Standard
Engine, 60.5 Gallon (229 L) Crash Resistant Fuel System, or 64 Gallon (242 L) Fuel System*	Yes	Standard Equipment
Engine, AFS Engine Inlet Barrier Filter	Yes	Standard Equipment
Engine, Automatic Engine Re-ignition	Yes	Standard Equipment
Engine, Engine Anti-Ice	Yes	Standard Equipment
Engine, 650shp (485kW) or greater	Yes	Standard Equipment
Engine, Facet Oil Filter	Yes	Standard Equipment
Fly Away Kit (See Manufacturer's Checklist)	Yes	Standard Equipment
Interior, Cabin Soundproofing	Yes	Standard Equipment
Interior, Cargo Tie-Down Fittings	Yes	Standard Equipment
Interior, Batiflex, Vinyl Flooring (Blue/Grey)	Yes	Standard Equipment
Interior, Crew Seats with 4-Point Harness Restraint	Yes	Standard Equipment
Interior, Dual Command Flight Controls	Yes	Standard Equipment
Interior, Fire Extinguisher	Yes	Standard Equipment
Interior, First Aid Kit	Yes	Standard Equipment
Interior, Fresh Air Ventilation System	Yes	Standard Equipment
Interior, Heater Defogger System	Yes	Standard Equipment
Interior, Rotor Brake (Removed)	Yes	Removed
Interior, Logbook Compartment	Yes	Standard Equipment
Interior, Passenger Seats with 3-Point Harness Restraint	Yes	Standard Equipment
Interior, Vinyl and Fabric Cushions	Yes	Standard Equipment
Interior, Vinyl Interior Trim Panels	Yes	Standard Equipment
Interior, Slant Panel Pedestal	Yes	Standard Equipment
Interior, Seat Pan Inspection Panels	Yes	Standard Equipment
Interior, Airframe Hobbs Meter	Yes	Standard Equipment
Lighting, Cabin Convenience Light	Yes	Standard Equipment
Lighting, Cockpit Utility Light	Yes	Standard Equipment
Lighting, Landing Light, Nose Mounted	Yes	Standard Equipment
Lighting, LED Anti-Collision Lights	Yes	Standard Equipment
Lighting, LED Position Lights	Yes	Standard Equipment
System, 200-Amp Starter Generator	Yes	Standard Equipment
System, Concorde Lead Acid Battery RG-500 17A	Yes	Standard Equipment
System, External Power Receptacle	Yes	Standard Equipment
Wire Strike Protection System (WSPS) Upper only STC SH1713SO	Yes	Optional Equipment
Comfort Windows 2X Cabin, 2X Cockpit, W/Pop-out Vents (Quick Change)	Yes	Optional Equipment
Footswitch Dual Rocker	Yes	Optional Equipment
G500 TXi HSVT Enablement Card	Yes	Optional Equipment



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HBPB Aircraft Requirement	Comply Y/N	MDHI Response
2 x TDAP 611 Audio Panels in Cockpit, 1 x AA12S-002 in Cabin W/2 lapel cords (Replaces -GMA350H Audio Panel installation)	Yes	Optional Equipment
21 Gallon Aux Tank STC SH656GL if necessary	Yes	Optional Equipment – NOTE Fargo 21 tank will not be compatible with new Crash Resistant Fuel System. A new auxiliary tank is in development and will be available for the second and third aircraft delivery.
Samson Plus landing light with flashing function	Yes	Optional Equipment
PA LSA400 Sirens System, External with LSC22 Controller & TS-300 Speaker, Recessed Mount	Yes	Optional Equipment
COM, Transfer Switch, Cyclic, COM1	Yes	Optional Equipment
NVG Compatible cockpit interior (NVIS B)	Yes	Optional Equipment
Garmin GTR 225B NVG	Yes	Optional Equipment
TDFM 9300 Radio (Provision Only; Radio CFE)	Yes	TDFM 9300 Radio will be supplied by HBPB and provisions will be installed with radio installation by MDHI
LED Cockpit/Cabin Map Lights	Yes	Optional Equipment
Paint, Two Color Scheme	Yes	Optional
MDHI Cargo hook provisions; Onboard Systems TALON LC Hydraulic Cargo Hook with attachment point, or comparable	Yes	Provisions can be installed. MDHI would suggest a full installation while at the factory opposed to HBPB having to disassemble post-delivery.
Interior, Paravion Door Openers, Cabin, STC SH2735NM	Yes	Optional Equipment
Raptor Rifle Racks	Yes	Optional Equipment
L3 MX-10 System (CFE MX-10 only) Provisions	Yes	Other equipment, wiring and mounts to support the use of the will be required for this installation.
Aerocomputers UC6000 Moving Map System Provisions	Yes	Other equipment, wiring and mounts to support the use of the will be required for this installation
Night Sun SX16 System (CFE SX-16 Only) Provisions	Yes	Other equipment, wiring and mounts to support the use of the will be required for this installation

**Note – The first aircraft delivery will have the 64-gallon main fuel tank installed. Subsequent aircraft (second and third) will have the 60.5 Gallon (229 L) Crash Resistant Fuel System per Title 14 of the Code of Federal Regulations (14 CFR) Parts 27 and 29, and in Title 49 of the United States Code (49 U.S.C.) § 44737 (2018).*

MDHI will require all Customer Furnished Equipment in a timeline manner while provisions are being installed to properly function check and test associated systems.

1.2) Section 3, Scope of Work, Part B. Transfer of Equipment

MDHI understands and agrees that the City will remove certain equipment from the existing MD 520N aircraft to be installed on the new aircraft, as they become available, and that this work effort is not part of this Scope of Work. The equipment to be removed and not included in any outfitting of the new units or sale of existing aircraft is:



- L3 MX-10 System
- Aerocomputers UC6000 Moving Map System
- Night Sun SX16 System
- TDFM 9300 (as stated above in Scope of Work)

MDHI will require HBPD to supply the above equipment in a timely manner to ensure full operation of the systems that have provisions installed. MDHI may suggest having the full install for certain items (i.e., cargo hook) as opposed to provisions to save on HBPD personnel allocation of time and material. These suggestions may also prevent HBPD from having to remove critical components and materials from the aircraft to complete the install at the HBPD facility.

There may be additional charges required for anything above the basic provisions for the installation of the above referenced items that will be customer supplied.

1.3) Section 3, Scope of Work, Part C. Warranty

The MDHI Warranty for Commercial aircraft is for a period of three (3) years upon delivery of the aircraft.

MDHI's sole obligation under this New Helicopter Warranty is limited to the replacement or repair (at MDHI's sole option) of parts, which are determined to MDHI's reasonable satisfaction to be defective within two thousand (2000) hours of operation or three (3) years after acceptance, whichever occurs first. For warranty claims filed within the first year or one thousand (1000) hours, whichever occurs first, MDHI will pay one hundred percent (100%) of the cost of parts and labor at the current MDHI published labor rate to either in its sole discretion repair or replace the part. For warranty claims filed within the second year or after one thousand (1000) hours, whichever occurs first, MDHI will prorate the cost of the replacement part, or repair at the current MDHI published labor rate, based on the number of months or number of hours in service whichever occurs first, in accordance with the set proration schedule (Refer to Proration Schedule for New Helicopter Warranty). Replacement parts will be serviceable and will have at least the life remaining of life limited parts, if applicable. Parts covered under this New Helicopter Warranty with a service life of less than two thousand (2000) hours will be prorated based on their published service life.

Repair or replacement parts are warranted for the remainder of this New Helicopter Warranty period only. Written notice of a New Helicopter Warranty claim must be provided to MDHI no later than thirty (30) days after the date of discovery of the defect.



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1.4) Section 3, Scope of Work, Part D. Training

Table 2. Proposed Training Program

	Price EA	Total	CHARGE	Notes
Cost of Mesa Pilot Differences Training at MDHI using MDHI Equipment(3 days with 3 flight hours and 8 hours of ground):	\$ 6,800.00	\$ 61,200.00	No Charge	9 Pilots
Cost of Mesa Tech Training (Up to 8 students for 2 weeks): \$3,956 for up to 8 students (2- Students)	\$ 4,685.00	\$ 4,685.00	No Charge	3 Aircraft would typically equate to training for 3 techs.
On Location Recurrent Training for all pilots – 3 Days (5 Days total w/ travel).	\$ 24,000.00	\$ 120,000.00	No Charge	Daily Rate X 5 days not including flight, hotel and transportation
	Total from Above	\$ 185,885.00	No Charge	
\$50K Parts Credit (To be used over a 3 yr period)	N/A	\$ 50,000.00	No Charge	
		VALUE		
Total Incentive Offerings Over 5 Year Period		\$ 235,885.00	No Charge	

1.5) Section 3, Scope of Work, Part E. Sale of Existing Fleet

MDHI agrees to facilitate the sale of three existing City-owned MD 520N aircraft, FAA Aircraft ID numbers:

- N521HB
- N522HB
- N523HB

MDHI will work within the parameters of the City’s delivery schedule on the sale of the existing MD 520N aircraft with the understanding that the transfer of equipment, as defined in Section 3, Scope of Work, Part B. Transfer of Equipment, may take up to two months to complete.

**Note – The first aircraft delivery will have the 64-gallon main fuel tank installed. Subsequent aircraft (second and third) will have the 60.5 Gallon (229 L) Crash Resistant Fuel System per Title 14 of the Code of Federal Regulations (14 CFR) Parts 27 and 29, and in Title 49 of the United States Code (49 U.S.C.) § 44737 (2018).*

MDHI will require all Customer Furnished Equipment in a timeline manner while provisions are being installed to properly function check and test associated systems.

Section 3, Scope of Work, Part B. Transfer of Equipment MDHI agrees to participate in any sales negotiations specific to HBPD parts inventory for existing MD 520N aircraft.



1.6) Section 3, Scope of Work, Part F. Performance Bond

MDHI requests additional options outside of the performance bond. A performance bond could be of substantial cost, which would then be passed onto the customer (estimated to be in excess of \$500,000). If this is only a requirement by the financial institution being used by HBPD to finance the aircraft, MDHI would request additional options.

1.7) Section 3, Scope of Work, Part G. Inspection

MDHI agrees and welcomes the City inspection of our equipment and facilities at a mutually agreed upon time.

1.8) Section 3, Scope of Work, Part H. Financing

MDHI has offered points of contact for National Bank of Arizona and their affiliates. Also, MDHI will offer discount points for full prepayment of the full contract in the amount of 1.0%.



2) Client Satisfaction

2.1) Performance Guarantees

Table 3. MD 530FF Performance Specifications

MD 530FF Performance Specifications w/ 64 Gal Main Fuel Tank			
Parameter	Condition	Imperial	Metric
Maximum Cruise Speed, kt (mph) [km/hr]	Sea Level ISA	134 (154)	[248]
	1524 m (5000 ft)	135 (155)	[250]
Maximum Permitted Speed, kt (mph) [km/hr]	VNE at Sea Level	152 (175)	[282]
Maximum Range, nm, (mi) [km]	Sea Level	216 (248)	[400]
	1524 m (5000 ft)	260 (299)	[482]
Maximum Endurance, hr	Sea level , ISA	2.2	2.2
Maximum Rate-of-Climb, ft/min (m/sec)	Sea Level Standard Day	2,069	(10.5)
	ISA +20C day	2,061	(10.5)
Maximum Operating Altitude, ft (m)	Density altitude	20,000	(6096)
Service Ceiling, ft (m)	ISA	18,700	(5700)
Maximum Hook Capacity, lb (kg)		2,000	(907)
Hovering Performance (No wind)			
Hover-in-Ground Effect (HIGE), ft (m)	Standard Day	16,000	(4877)
	ISA +20C Day	14,300	(4359)
Hover-Out-of-Ground (HOGE), ft (m)	Standard Day	14,400	(4389)
	ISA +20C Day	11,600	(3536)
Weights			
Maximum Takeoff Gross Weight, lb (kg)	Normal Category	3,100	(1406)
	External Load Operations	3,750	(1701)
MGTOW External Load Operations, lb (kg)		2,159	(979)
Empty Weight, lb (kg)	Standard Configuration	1,591	(722)
Useful Load, lb (kg)	Normal Capacity	1,509	(684)
External Load Operations, lb (kg)		2,159	(979)
Fuel Capacity, lb (kg)	64 gal (242 l)	403	(183)



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MD 530FF Performance Specifications w/ 60.5 Gal CRFS			
Parameter	Condition	Imperial	Metric
Maximum Cruise Speed	Sea Level	113 kt. (130 mph)	209 km./hr.
	1,524 m. (5,000 ft.)	110 kt. (127 mph)	204 km./hr.
Maximum Range Speed	1,524 m. (5,000 ft.)	98 kt. (113 mph)	181 km./hr.
Maximum Permitted Speed	V _{NE} at Sea Level	152 kt. (175 mph)	282 km./hr.
Maximum Range	Sea Level	194 NM (223 mi.)	359 km.
	1,219 m (4,000 ft.)	218 NM (251 mi.)	404 km.
	1,524 m. (5,000 ft.)	223 NM (257 mi.)	413 km.
Maximum Endurance	Sea Level	2.36 hrs.	2.36 hrs.
Maximum Rate of Climb	Sea Level, Standard Day	1,031 ft./min.	5.2 m./sec.
Maximum Operating Altitude	Density Altitude	16,000 ft.	4,877 m.
Maximum Hook Capacity		2,000 lb.	907 kg
Hovering Performance (No wind)	Condition	Imperial	Metric
In-ground Effect	Standard Day	14,280 ft.	4,353 m.
	ISA +20°C Day	12,970 ft.	3,953 m.
Out-of-ground Effect	Standard Day	11,140 ft.	3,395 m.
	ISA +20°C Day	8,750 ft.	2,667 m.
Weights	Condition	Imperial	Metric
Maximum Gross Weight	Normal Capacity	3,350 lbs.	1,519 kg.
	External Load Operations	3,750 lbs.	1,701 kg.
MD 530F Empty Weight	Standard Configuration	1,723 lbs.	782 kg.
MD 530F Useful Load	Internal Load	1,627 lbs.	738 kg.
	External Load	2,027 lbs.	919 kg.
Main Fuel Tank; Crash Resistant Fuel System ⁽¹⁾	229 liter 60.5 gal	Empty – 35.2 lbs.	Empty 16 kg.
		Full (Jet A) 447 lbs.	Full (Jet A) 203 kg.
Aux Tank –	125 liter (33 gal.)	Empty 56 lbs.	Empty 25 kg.
		Full (Jet A) 277 lbs.	Full (Jet A) 126 kg.
Power Plant	Condition	Imperial	Metric
Rolls-Royce Model 250 IV-C30 Gas Turbine	Rated Power	650 shp	478 kW
Derated Power for Reliability and Safety	Transmission Rating	425 shp	313 kW
	Max Continuous	350 shp	257 kW
⁽¹⁾ Endurance will meet the minimum of 2.5 hours with the installed auxiliary fuel system installed with the standard 60.5-gallon crash resistant tank.			



2.2) MDHI Project Office

MDHI will appoint a Program Manager (PM) as the point of contact (POC) for the program. Using a step-by-step approach to identify, understand, resolve and prevent problems or issues, the PM will track all program management, materials, personnel, equipment, facilities, and hardware required to complete the requirements for this effort.

The MDHI PM will be responsible for day-to-day activities, including:

- Program planning and program management
- Technical oversight (including manufacturing)
- Maintaining schedule and cost
- Issue resolution
- Integrated product team control and communication
- Preparation of meeting agendas, presentations and minutes,

2.3) MDHI Quality System

MDHI has an established and FAA-approved quality system conforming to AS9100D in alignment with ISO9001-2015 to verify type design data, regulatory, and contractual requirements throughout the aircraft production process. The quality system is documented and maintained through the Quality Manual procedures, Operating Procedures and Company Instructions. Established documented processes provide consistent and repeatable results, including:

- Aircraft records
- Aircraft inspection and final acceptance
- Aircraft system and flight testing
- Calibration
- Configuration control
- Control and identification of nonconforming material
- Employee training
- Engineering design / change
- Tooling

The quality organization performs quality control / assurance activities using dedicated inspections and quality engineer personnel. The quality control / assurance activities include:

- Supplier quality assurance reviews, audits, and approval
- Supplier monitoring of performance and product quality
- Supplier quality related resolution
- Inspection of raw materials, parts, assemblies, and aircraft to approved inspection criteria



- Control of nonconforming materials and parts which, when identified, are segregated, documented, dispositioned, repaired, or reworked and re-inspected by authority of Material Review Board System
- Nonconforming material trend analysis
- Quality requirements and processes creation
- Corrective / preventative action program oversight
- Quality system / process internal audits
- Material Review Board oversight

3) Project Schedule

The proposed project schedule is as follows:

- Delivery of first aircraft upon completion at MDHI facility – 6-8 months from Contract Award:
 - Swap one MD 520N to MD 530FF.
- Each subsequent aircraft will be delivered 90-120 days after the previous delivery or as negotiated or required *Note – The first aircraft delivery will have the 64 gallon main fuel tank installed. Subsequent aircraft (second and third) will have the 60.5 Gallon (229 L) Crash Resistant Fuel System per Title 14 of the Code of Federal Regulations (14 CFR) Parts 27 and 29, and in Title 49 of the United States Code (49 U.S.C.) § 44737 (2018).

NOTE - Schedule is negotiable as required. MDHI will make every attempt to meet customer delivery requirements.

4) Requirements from City Staff

MDHI will require all Customer Furnished Equipment (CFE) at the earliest convenience that would not hinder HBPD operations. Provisions will be installed to run CFE items, which will require function checks and tests prior to delivery of the aircraft. MDHI would like ample time to ensure the proper usage and operation of all items.



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D. STAFFING

Employee Name	Functional Responsibility
Peter Bachner	Director of Program Operations
Keith Cave	Program Manager
Josiah Thomas	Crew Chief

Resumes are on the following pages.



PETER BACHNER
DIRECTOR OF PROGRAM OPERATIONS

PROFESSIONAL EXPERIENCE

MD Helicopter, Inc. – Mesa, AZ.

2007-Present

Director of Program Operations

- Direct the daily activities of program managers on customer focused and Internal Research and Development programs.
- Directly managed customer delivery for new production helicopter and major helicopter overhauls.
- Responsible for the generation of pricing models.

Director of Operations

- Oversee daily operations of helicopter production.
- Direct activities of plant facilities operations for six manufacturing, administration, warehousing, and aircraft hangar space.
- Develop departmental budgets and long-term capital expenditure requirements.
- Assure following of quality procedures and assist in development and implementation of root cause corrective actions.
- Drive continuous improvement through engineering design, manufacturing sequencing and tooling improvements.

Process Engineer

- Introduce visual work instructions.
- Implement Vendor Managed Inventory (VMI) program for low cost hardware.
- Perform Line Balance activities to optimize workflow and achieve schedule attainment.
- Utilize Value Stream Mapping to analyze both production workflow and transactional processes.
- Developed a series of production metrics to communicate the state of manufacturing operations. Metrics: safety, schedule attainment, labor efficiency & cost, quality.
- Developed daily labor tracking tool for supervision to analyze productivity and schedule labor.
- Conduct daily production meetings with manufacturing directors and managers to review daily production issues and schedules.
- Responsible for updating part routings and Bill of Materials.

EDUCATION

Bachelor of Science, Industrial Engineering
Pennsylvania State University, State College, PA

1997



KEITH CAVE
PROGRAM MANAGER

PROFESSIONAL EXPERIENCE

MD Helicopter, Inc. – Mesa, AZ.

2017-Present

Program Manager

Plan, direct, control, monitor and support Programs to ensure completion within defined cost, schedule, and scope objectives. Coordinate between Customer and MDHI Integrated Product Team (IPT), minimally consisting of Business Development, Engineering, Operations, Contracts, Supply Chain, and Finance.

- Manage multiple commercial and Military helicopter Programs.
- Collaborate with IPT to obtain data for initiation of Programs.
- Represent MDHI and coordinate with Vendors at high profile trade shows.
- Manage and document Program changes, maintain customer and team expectations.

United States Army

1994-2017

Sikorsky UH-60 (S-70) Aircraft Maintenance Supervisor

Led, mentored, and trained Army technicians while supervising scheduled and unscheduled maintenance on UH-60 (Sikorsky S-70) and CH-47 (Boeing Model 234) helicopters. Flew over 1000 hours as a Crew Chief under day/night and NVG conditions.

- Lead teams ≤ 60 technicians, supervising component removal, inspection/installation; unscheduled maintenance, routine inspections on UH-60 and CH-47 helicopters.
- Trained Soldiers to replace gearboxes, transmissions, rotor hubs, engines, auxiliary power units, rotor blades, stabilators, main landing gear components, fuel system components, electrical systems, flight control rods, and documented all aircraft maintenance actions using the required maintenance forms.
- Trained and enforced OSHA and EPA regulations, shop and flight-line safety, ensured a clean, safe and healthy work area for all team members.

EDUCATION

Master of Science, Project Management

2017

Embry-Riddle Aeronautical University, Daytona Beach, Florida

CERTIFICATION AND AWARDS

- Project Management Institute Certified Project Management Professional (PMP)
- FAA Airframe and Powerplant (A&P) Certificate number 3628233
- US Army Air Medal



JOSIAH THOMAS
CREW CHIEF

PROFESSIONAL EXPERIENCE

MD Helicopter, Inc. – Mesa, AZ. **2019-Present**

Avionics Technician IV

Install, inspect, test, adjust, or repair avionics equipment, such as radar, radio, navigation, and missile and gun control systems in aircraft. Test and troubleshoot instruments, components, and assemblies, using circuit testers, oscilloscopes, or voltmeters.

Beckman Coulter – Brea, CA. **2016-2019**

Field Service Engineer

Perform troubleshooting, repair, scheduled maintenance and modifications on mechanical and electronic components in laboratory diagnostic instruments.

U.S. Navy **2006-2016**

Aviation Electronics Technician

Performed troubleshooting and repair of RADAR, navigation, communication, and weapons systems for U.S. Navy fighter aircraft. Recognized as a superb leader, quickly promoted and put into management of 12 personnel, reducing backlog by 54%. Worked in quality assurance promoting safety and preventing the occurrence of defects for all departments in the division. Earned Navy/ Marine Achievement medal for outstanding leadership.

EDUCATION

United States Navy **2006-2016**
Lake Powell School, Utah **2000**

CERTIFICATION AND AWARDS

- **MD Helicopters, 06/2020**
 Delegation of inspection authority (limited). Limited delegation of inspection authority for strip, crimp, solder, and inserts for production.
- **Center for Naval Aviation Technical Training, Aviation Electronics, 04/2007-06/2011**
 F/A-18 Avionics System Career Organizational Maintenance (2011)
 F/A-18 Avionics System Initial Organizational Level Maintenance (2007)
 F/A-18 Wire Bundle and Connector Repair (2007)
- **Tinker Air Force Base Training Center, Aviation Electronics, 10/2006**
 Aviation Electronics Technician Organizational Level
- **Center for Surface Combat Systems, Electronic Fundamentals, 06/2006**
 Organizational Apprentice Technical Training



E. QUALIFICATIONS

1) Key Staff Qualifications

MDHI, as the aircraft OEM, employs a dedicated team of highly qualified personnel with years of experience in engineering, configuration management, accident investigations, program management, manufacturing, and supply chain functions for both Direct Commercial and U.S. Military contracts.

MDHI's Engineering Department is second-to-none for the MD 530F rotary wing aircraft with capability to support Depot Level repairs, sustainment engineering, aircraft modification engineering, component overhauls and technical data is manifest in our expertise and knowledgebase as exhibited over the last 60+ years. To maintain our worldwide fleet of helicopters, MDHI has a dedicated Aftermarket work force, the MD Wolfpack, which consistently performs and advises on the repair of all of MDHI's aircraft globally. The MD Wolfpack team travels the world performing modifications, inspections, training, and delivery of MDHI aircraft. As part of the Program Management process, MDHI uses a step-by-step approach to identify, understand, resolve and prevent any problems or issues. The MDHI Program Manager has the knowledge and authority to resolve any problems and implement corrective actions should the need arise.

MDHI will engage highly proficient engineering, program management and technical resources skilled in all tasks outlined in the City's Scope of Work. See Section D, Staffing for MDHI key personnel that will support the City's project for Police Helicopters.

2) MDHI Qualifications

MDHI has a long and storied history as the Original Equipment Manufacturer (OEM) of commercial and military aircraft for hundreds of customers around the world. MDHI users rely on MDHI aircraft's superior reliability, ruggedness, ease of operation and low operating costs. For over 60 years we have introduced industry advancements and innovations specifically targeted to keep operators safe, while empowering customers with the increased capabilities, greater mission versatility and superior performance needed to execute a broad range of mission profiles, including training, military combat operations, law enforcement, and commercial/leisure applications.

The MDHI family of helicopters includes commercial and military variants of our MD 500 Series helicopters—designed specifically to supply speed, safety, agility and the ability to operate with ease in confined spaces—as well as a fleet of technologically advanced NOTAR® helicopters, like the single engine MD 520N and the twin engine MD 902 Explorer. MDHI aircraft are manufactured and assembled at our Mesa, AZ production facility.

MDHI is an FAA-certified production facility and has an established, FAA-approved quality system conforming to AS9100D in alignment with ISO9001-2015. MDHI has extensive



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experience integrating new technologies onto existing rotorcraft, subsequent FAA certification and the Army Airworthiness Release (AWR) process. Customization of commercial derivative aircraft is accomplished in the MDHI Completions Center, which operates under FAA Repair Station License Part 145. MDHI maintains the following certifications, copies of which are available upon request:

- FAA Production Certificate Number 715NM
- Type Certificate No. H3WE
- Repair Station – Air Agency Certificate No. M82R545Y
- MDHI Management System Certificate (AS9100D Certification)

MDHI continues to invest heavily in Research & Development (R&D) for all of our aircraft. The integration of next generation technologies, and the incorporation of innovative design and manufacturing processes are enabling MDHI to grow our position within the aviation industry. MDHI is currently fulfilling contracts for MD 530F aircraft for use around the world.

3) Client References

Our customer relationships are one of MDHI's greatest assets, and we welcome the opportunity to have our customers discuss with the City their experiences working with MDHI. We are happy to coordinate this activity with the City if needed.

MDHI CONTACT INFORMATION:

Name: Jason Lindauer **Office:** 480.346.6373 / **Mobile:** 480.353.6587
Title: Director of Commercial Sales **Email:** Jason.lindauer@mdhelicopters.com

MDHI has provided three client references for law enforcement operational missions.

Gwinnett County Police Department

Gwinnett County Police Department
770 Hi Hope Road
Lawrenceville, GA 30043

Richard King, Captain – Aviation Unit
O: (770) 235 2555
Richard.King@gwinnettcountry.com



Project Description: The Gwinnett County Police Department fleet includes three MD 530F aircraft.

Project Start: 1/4/2018 / Project End: 8/14/2019



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Mesa Police Department

Mesa Police Department
5110 E. Falcon Drive
Mesa, AZ 85215



Randy Wilson, Administration
O: (480) 644-4344
Randy.wilson@mesaaz.gov

Project Description: The Mesa Police Department fleet includes two MD 500E aircraft and one MD 530F aircraft.

Project Start: 5/19/2014 / Project End: 6/25/2015

Las Vegas Metropolitan Police Department

Las Vegas Metro PD
3600 Thunderbird Field Rd
N. Las Vegas NV 89032



Sgt. Steve Morris, Chief Pilot
(702) 828-0153
lvmpd.com

Project Description: The Las Vegas Metropolitan Police Department fleet includes three MD 530F aircraft.

Project Start: 4/27/2015 / Project End: 10/15/2015



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F. FEE PROPOSAL

Pricing Schedule

Section A: New Helicopter

Item No.	Est. Qty.	U/M	Description	Cost Each	Extension
1	3	EA	Aircraft	\$2,950,000	\$8,850,000
2	3	EA	Options	\$554,406	\$1,663,217
3	1	--	Engineering	\$59,943	\$59,943
				Sub-Total	\$10,573,160
4	3	EA	Mission Equipment	(\$250,000)	(\$750,000)
5	0	--	Flight and Maintenance Training	\$185,885	\$0
6	1	--	Parts Credit	(\$50,000)	(\$50,000)
				TOTAL SECTION A:	\$9,763,546

Section B: Sale/Trade-in Valuation

Item No.	Est. Qty.	U/M	Description	Valuation	Extension
1	1	EA	Sale/Trade-in Valuation (1998)	\$585,000	\$585,000
2	1	EA	Sale/Trade-in Valuation (2001)	\$685,000	\$685,000
3	1	EA	Sale/Trade-in Valuation (2007)	\$835,000	\$835,000
4		LS	Misc. Inventory/Parts	\$400,000	\$400,000
				TOTAL SECTION B:	\$2,505,000



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NET COST:

Total Section A		<u>\$ 9,763,546</u>
Total Section B	(-)	<u>\$(2,505,000)</u>
Brokerage Fee		<u>\$63,150</u>
Additional 1% Discount (-)		<u>\$(72,682)</u>
Estimated tax on the gross total of \$9,763,546		<u>\$756,674</u>
Net Cost		<u>\$8,005,688</u>

Please note, brokerage fee to be paid to MD Helicopters Australia at the time of sale of the currently owned MD520N's. Each will be sold individually per the example chart on Page 2, Section B, Delivery Schedule of this proposal. The chart is only an example and is solely used to reflect a model and timeline that could be used.

Each new aircraft sale of the MD530F's to Huntington Beach Police Department will be individually invoiced at the time of delivery. The sum of funds from previously sold aircraft and budgeted RFP funds will net \$3,230,288. The projected sales total of section B is \$2,505,000 with an estimated brokerage fee of \$63,150 to be paid to MD Helicopters Australia which have a net remainder of \$2,441,850.

*Estimated California taxes are \$756,674. This is calculated at 7.75% of the gross amount of \$9,763,546. There may be possible tax exemptions and/or state and local government requirements. Buyer is encouraged to engage in legal tax representation to review these possible exemptions. If CUSTOMER claims tax exempt status, CUSTOMER will so indicate and will provide MDHI with a copy of an exemption certificate acceptable to the relevant taxing authority prior to delivery.



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Pricing Summary—Breakouts

Aircraft Build Pricing Summary			
Description	Price	Quantity	Extended Price
Aircraft	\$2,950,000	3	\$8,850,000
Options	\$551,201	3	\$1,653,603
Engineering	\$59,943	1	\$59,943
Sub-Total			\$10,563,546
Mission Equipment Discount	(\$250,000)	3	(\$750,000)
Flight and Maintenance Training	\$185,885	0	\$0
Parts Credit	(\$50,000)	1	(\$50,000)
Total			\$9,763,546

Law Enforcement Configuration Items				
Description	Touch Labor	Material	Engineering Labor	Total
Wire Strike Protection System (WSPS) Upper only STC SH1713SO	\$10,447	\$25,342	\$0	\$35,789
Comfort Windows 2X Cabin, 2X Cockpit, W/Pop-out Vents (Quick Change)	\$1,672	\$10,549	\$0	\$12,221
Footswitch Dual Rocker	\$1,393	\$74	\$0	\$1,467
G500 TxI HSVT Enablement Card	\$0	\$9,224	\$0	\$9,224
2 x TDAP 611 Audio Panels in Cockpit, 1 x AA12S-002 in Cabin W/2 lapel cords (Replaces GMA350H Audio Panel installation)	\$8,358	\$22,091	\$0	\$30,449
21 Gallon Aux Tank STC SH656GL	\$11,144	\$23,077	\$0	\$34,221
Samson Plus landing light with flashing function	\$1,393	\$2,855	\$0	\$4,248
PA LSA400 Sirens System, External With LSC22 Controller & TS-300 Speaker, Recessed Mount	\$6,408	\$15,691	\$0	\$22,098
COM, Transfer Switch, Cyclic, COM1	\$1,114	\$23	\$0	\$1,137



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Law Enforcement Configuration Items				
Description	Touch Labor	Material	Engineering Labor	Total
NVG Compatible cockpit interior (NVIS B)	\$8,358	\$86,126	\$11,239	\$105,724
Garmin GTR 225B NVG	\$2,786	\$6,025	\$0	\$8,811
TDFM 9300 Radio	\$0	\$0	\$0	\$0
TDFM 9300 Radio Installation (Provisions)	\$4,179	\$9,505	\$14,049	\$27,733
Aircraft Interior, Mesh Seats, black, 2X cockpit 1x Bench Fargo Compatible 369H90040-519*	\$27,860	\$76,744	\$0	\$104,604
MDHI Monitor Mount MB12	\$6,965	\$758	\$0	\$7,723
Aero Computer UC6000 Mapping System with AK-4S keyboard, MB12 Monitor, Customer Furnished UC 6000 W/8130 (Provisions)	\$6,965	\$70,563	\$14,986	\$92,513
MDHI Left Side Mount NightSun SX-16 Enhanced (Provisions)	\$6,965	\$2,275	\$0	\$9,240
MDHI Right Side Mount with provisions for MX-10	\$8,358	\$18,471	\$19,669	\$46,498
LED Cockpit/Cabin Map Lights	\$1,114	\$1,617	\$0	\$2,731
Paint, Two Color Scheme	\$23,209	\$3,628	\$0	\$26,837
Provisions Cargo hook provisions; Onboard Systems TALON LC Hydraulic Cargo Hook with Attach Point	\$6,826	\$17,164	\$0	\$23,990
Interior, Paravion Door Openers, Cabin, STC SH2735NM	\$836	\$659	\$0	\$1,495
Raptor Rifle Racks	\$836	\$1,556	\$0	\$2,391
Per Ship	\$147,184	\$404,017		\$551,201
Engineering			\$59,943	\$59,943



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Exhibit C

Equipment

1. L3MX-10 IR camera
2. Spectro Lab search light
3. Technisonic Radio
4. Aerocomputers moving map system