



SERVICE ESTIMATE
MD 500[®], MD 600N[®] AND MD EXPLORER[®]
SERIES HELICOPTERS

MD Helicopters, Inc.
 4555 E. McDowell Road
 Building 615
 Mesa, Arizona (USA.) 85215-9734
 Telephone No. (480) 346-6539
 Fax No. (480) 346-6339

Customer: Columbus Division of Police Address: Department of Public Safety 77 N. Front St. 5 th Floor Columbus, OH 43215	SE- 20152805
Contact Name: Mr. George Speaks	

Helicopter Model: MD500E	Date: 02/02/2017
Serial No: 00606E	Rev Date: 02/02/2017
Registration No. N557CP	Telephone:
	Fax Number:

Item	Description	Price
1	Conversion of helicopter from MD500E to MD 530FF model as outlined in the attached Statement of Work. Includes material costs & labor costs.	\$1,134,211.00
2	MD Helicopters shall determine what if any additional repair, service or replacement the helicopter may require ("over-and-above"). An Inspection Report with an estimated price shall be provided to the Customer for concurrence prior to initiation of any repair, service or replacement.	TBD
3	TOTAL INSPECTION / SERVICE PRICE (Less estimate for additional work)	\$1,134,211.00

Estimated project duration: 6-8 weeks per aircraft after receipt of helicopter at MDHI's Mesa facility.	Deposit from Sale of N554CP	<\$696,000.00>
Payment schedule will require acceptance of trade aircraft, and payment per the payment schedule contained in the Statement of Work. Balance of conversion costs will be due upon customer acceptance of the helicopter at the MDHI facility following completion of the service provided.	BALANCE DUE (Does not include applicable sales taxes or over-and-above charges)	\$438,211.00

THIS SERVICE ESTIMATE SHALL REMAIN VALID FOR ACCEPTANCE UNTIL: TBD

I authorize MDHI to perform the inspections and services set forth herein and provide the parts and materials. Additionally, I hereby grant MD Helicopters, Inc. permission to operate the helicopter described above for the purpose of testing and, or inspection. I acknowledge receipt of all pages of this service agreement, and I accept this agreement in its entirety and in accordance with all of its terms and conditions.	MD HELICOPTERS, INC. <i>Craig D. Ketchum</i> Chief Commercial Officer MAR 19, 2017
Customer's Authorized Signature and Title Date _____	Date _____

STATEMENT OF WORK:

SE Number: SE-20152805

Date: February 02, 2017

Instruction #	Description	Price
1	Perform inspection and conversion of helicopter S/N 0581E, 0606E, from a 369E model to a newly certified 369FF model. Such conversion shall be accomplished in accordance with FAA approved E-FF conversion report # 369-CE-293, and shall not include any parts or services outside the scope of such FAA report. Includes removal of existing Rolls Royce 250-C20B engine and modifying aircraft to include installation of a factory new Rolls Royce 250-C30 engine. Pricing assumes the subject aircraft has been previously equipped with Kamatics drive shafts and does not require main or tail rotor transmission overhaul. Removed components will be retained by MDHI. MDHI will install Fargo Aux Fuel Tank on each aircraft Conversion. Installation of Garmin 500H per SE20151005 purchase. MDHI will retain removed components.	\$1,088,378. INC.
2	Outstanding Service Bulletins, Airworthiness Directives and Discrepancies discovered during inspection will be itemized and resolution quoted to Customer.	TBD
3	Compatibility compliance. Previous modifications approved under STC, FAA form 337 or other means will be reviewed for compatibility with MD 530FF model.	TBD
4	Shop materials & general consumables.	N/C
5	Recommended replacement parts or additional work, to be determined during inspections. Over and Above items shall be itemized and reported to Customer for authority to replace.	TBD
6	At time of delivery of the helicopter to MD Helicopters for work to be performed, MD Helicopters and Customer shall jointly perform a receiving inspection, to include one test flight, in order to identify loose equipment, presentation of requisite log books and general condition of the helicopter.	N/C
7	One Maintenance Flight Test Instruction – Mesa AZ & Re-Currency Pilot Training CPD Flight Dept. utilizing CPD Aircraft Columbus OH. Aircraft Ferrying by CPD Deposit for Replacement Parts/Repairs not included in Conversion – if any funds are not utilized Customer will be refunded such funds.	INC. \$7,333.00 \$38,500.00
	TOTAL	\$1,134,211.

SERVICE AGREEMENT TERMS AND CONDITIONS

1. SUBJECT MATTER; DEFINITION

MD Helicopters, Inc. shall perform the services in accordance with the Statement of Work (hereinafter referred to as "Service(s)").

2. PAYMENT

Payment under this proposal, will include sale aircraft, initial deposit and final payment of TBD.(upon completion) will occur at the time of delivery of the helicopter to MD Helicopters, Inc. facility in Mesa, Arizona. All payments required to be made under this Agreement shall be made in United States Dollars ("\$\$") or other currency acceptable to MD Helicopters, Inc.

FULL PAYMENT OF THE BALANCE DUE FOR SERVICE(S) PERFORMED UNDER THIS AGREEMENT SHALL BE MADE UPON COMPLETIONS OF SERVICE(S). Such payments may be made by wire transfer, certified check, credit card, or other form acceptable to MD Helicopters, Inc. All payments required to be made under this Agreement shall be made in United States Dollars ("\$\$") or other currency acceptable to MD Helicopters, Inc. If it becomes necessary for MD Helicopters, Inc. to employ collection agency and/or attorney to collect this account, the Customer agrees to pay all court costs plus reasonable attorney's fees and or collection agency fees.

3. CHANGES

The Service(s) ordered hereunder are subject to change by MD Helicopters, Inc. due to undiagnosed repairs, services or parts replacements ("over-and-above") encountered during the performance of this Agreement. MD Helicopters, Inc. may change the estimated price by giving Customer written notice of the new estimated price that MD Helicopters, Inc. proposes to charge. Notification of changes will be provided to the customer within thirty (30) days of date the work begins. Within five (5) days after receiving notice of the change and the new estimated price, Customer shall deliver written notice to MD Helicopters, Inc. that Customer accepts or rejects the revised Service(s). The customer will not unnecessarily withhold approval or denial of the proposed change. If during the acceptance and test flight process, any additional discrepancies are identified, MD Helicopters will provide the customer with an additional written notice of the discoveries and any revision to the price. Within five (5) days after receiving notice of the change and the new estimated price, Customer shall deliver written notice to MD Helicopters, Inc. that Customer accepts or rejects the revised Service(s) estimated changes. If Agreement is terminated after Customer's express rejection of revised Service(s), Customer shall immediately pay for Service(s) rendered to-date and collect the helicopter.

4. DELIVERY, INSPECTION, ACCEPTANCE AND RISK OF LOSS

The subject helicopter, requisite log books and any Customer furnished spare parts must be provided to MD Helicopters, Inc.'s facilities in Mesa, Arizona, U.S.A. prior to initiation of the Service(s). Upon completion of the Service(s), MD Helicopters, Inc. shall make the requisite log book entries, as required by the FAA.

The Estimated Delivery Date set forth on page 1 is an estimate and is not binding on MD Helicopters, Inc. The Estimated Delivery Date excludes delays due to Over and Above items, hidden damage, as well as delays resulting from out-of-stock parts or any other parts procurement or shipment delays.

Within a reasonable time before offering the helicopter for acceptance, MD Helicopters, Inc. shall give Customer written notice of the estimated date that the helicopter will be ready for acceptance ("Fixed Delivery Date"). Customer agrees to accept the helicopter serviced under this Agreement at the facility of MD Helicopters, Inc. in Mesa, Arizona within five (5) days after the fixed Delivery Date. Customer shall be responsible for making necessary arrangements to enable its personnel or a suitable agent, to accept the helicopter serviced under this Agreement. Should Customer fail to accept the helicopter within five (5) days, MD Helicopters, Inc. may assess Customer a late delivery charge and/or fees for appropriate storage or return.

All deliveries hereunder are ex works ("EW") at the facility of MD Helicopters, Inc.

MD Helicopters, Inc. can not be held responsible for loss or damage to the helicopter or articles left therein in case of fire, theft or other cause beyond MD Helicopters, Inc.'s control.

5. EXCUSABLE DELAYS

MD Helicopters, Inc. shall not be in default for failure to or delay completing the Services due to causes beyond its control and which are not the result of its fault or negligence, including but not limited to: war or war operations; acts or threats of terrorism; insurrections; strikes; riots; fires; floods; explosions; earthquakes; serious accidents; governmental action; or failures to act; governmental allocation regulations or orders affecting material, equipment or facilities; acts of God or the public enemy; failure of transportation; epidemics; quarantine restrictions; failure of suppliers and subcontractors to perform on their contracts; or labor troubles causing cessation; slow-down or interruption of work or inability after due and timely diligence to reasonably procure materials, accessories, equipment or parts.

6. LIMITED WARRANTY

A. Any parts replaced in the performance of this Agreement are covered by the following Limited Warranty:

MD Helicopters, Inc. warrants each new spare part purchased from MD Helicopters to be free from defects in material and workmanship for a period of one (1) year or one thousand (1000) hours of operation, whichever ever comes first. The warranty period begins on the date of delivery. Proof of a valid warranty must be provided. The replacement items will be warranted for the remainder of the original item's warranty period

MD Helicopters, Inc.'s obligation under this warranty is limited to the repair or replacement of any part, which is determined by MD Helicopters, Inc. to have been defective within the above mentioned warranty period parameters.

New engines sold under this agreement are warranted by the engine manufacturer and not included as part of MD Helicopters, Inc.'s limited warranty.

All parts returned to MD Helicopters, Inc. for warranty consideration must be shipped prepaid by the returning party. MD Helicopters will pay for shipment of the repaired and or replacement items.

This warranty shall not apply to any part which in MD Helicopters Inc's sole discretion is either not original or an MD Helicopters provided replacement. Further, this warranty shall not apply to any part which in MD Helicopters, Inc's sole discretion has been repaired or altered outside of the factory or by any third party.

This warranty shall not apply to any part, which, in MD Helicopters, Inc.'s sole discretion has, been subjected to other than normal use and service, abuse, negligence, erosion, corrosion, neglect, accident, intentional damage, or any other condition or circumstance outside the scope of normal use, and diligent maintenance, servicing, storage and safekeeping

In no event will MD Helicopters, Inc. be liable for collateral or consequential damages or for any other costs. MD Helicopters, Inc. does not authorize anyone to assume for it any other obligation, or liability, on its behalf in connection with the sale of its helicopter products, unless it is in writing and signed by an authorized representative of MD Helicopters, Inc.

- B. MD Helicopters, Inc. makes no warranties for Customer furnished materials, unless such materials originated from MD Helicopters, Inc. and was purchased by an MD Helicopters, Inc. Authorized Service Center and was drop-shipped to MD Helicopters, Inc. for performance of this Agreement.

7. DISCLAIMER OF ALL OTHER WARRANTIES

THE WARRANTY SET FORTH IN PARAGRAPH 6 IS EXCLUSIVE AND IS GIVEN AND ACCEPTED EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

8. LIMITATION OF CONTRACTUAL LIABILITY

CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY ALLEGED BREACH OF CONTRACT OR WARRANTY IS LIMITED TO THE REPLACEMENT AND REPAIR OF DEFECTIVE PARTS AS PROVIDED HEREIN. IN NO EVENT WILL MD HELICOPTERS, INC. BE OTHERWISE LIABLE TO CUSTOMER FOR ANY NON-CONFORMANCE OR DEFECT IN ANY SERVICE(S) PROVIDED UNDER THIS AGREEMENT OR FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, LOSS OF USE OR MONETARY LOSSES RESULTING FROM THE PAYMENT OF DAMAGES TO OTHERS. MD HELICOPTERS, INC. WILL NOT BE HELD RESPONSIBLE FOR LOSS OR DAMAGE TO THE HELICOPTER OR ARTICLES LEFT IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE BEYOND MD HELICOPTERS, INC.'S CONTROL.

9. GOVERNING LAW AND DISPUTE RESOLUTION

Any issue related to this Offer shall be governed by the laws of the State Of New York, applying the laws of that state without reference to its conflicts of laws provisions and any litigation related to this Offer shall be pursued, if at all, in only that state in US District Court for the Southern District of New York, Manhattan Division.

10. GENERAL

- A. For purposes of interpretation of this Agreement, "Estimate" shall mean "Educated Guess", and is not interchangeable with expressions such as "Quote", "Firm Quote", "Hard Quote", or any other similar terms. To further clarify, the use of the term "Estimate" in this Agreement neither implies, nor guarantees that actual charges will precisely equal estimated charges.
- B. Failure of any party to exercise any right or option arising out of a breach of this Agreement shall not constitute a waiver of any right or option with respect to any later or different breach, or the continuance of any existing breach.
- C. A declaration that any provision of this Agreement is void or unenforceable by a court of the State of New York shall sever such provision from this Agreement, and all other provisions of this Agreement shall remain in full force and effect.
- D. This Agreement shall have no force and effect until executed by a duly authorized representative of MD Helicopters, Inc. and by Customer.
- E. Customer and MD Helicopters, Inc. intend this Agreement to be a complete and exclusive statement of the terms and conditions of the entire agreement between them which supersedes and renders null and void any price agreements, memoranda of agreement, correspondence or other evidence of agreement covering or purporting to cover the subject matter of this Agreement. Customer and MD Helicopters, Inc. expressly agree that this Agreement and any of its terms or conditions may not be varied, contradicted, explained or supplemented by any oral agreements or representations, by course of dealing or performance or by usage of trade. None of the terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered except by a written instrument executed by duly authorized representatives of both parties.



530FF Helicopter Conversion Program

I. Introduction

This document has been created to inform those interested in contracting MD Helicopters Inc. to convert their 369E model helicopter to a 369FF. The information presented here maybe used in understanding the process and appraising the suitability of candidate helicopters for the conversion program.

I. Background

The 369E to 369FF conversion by MD Helicopters Inc. has been FAA approved by adding the converted 369FF to the MD Helicopters Inc. Type Certificate H3WE.

Aircraft produced under a manufacturer's Type Certificate are subject to FAA Production Certificate regulations, which preclude the conversion being performed outside the manufacturer's facility (Title 14 Code of Federal Regulations Subchapter C Part 21 Certification Procedures for Products and Parts).

I. Warranty

New parts will be installed during the conversion process and will carry a one-year, 1000 hour warranties. If MDHI overhauls components per customers request, the parts furnished during the conversion process will carry the standard warranty for overhauled components. Specific details about the warranty coverage can be found in MD Helicopters warranty manual CSP-A-2.

A. Insurance

MD Helicopters Inc. provides aircraft hull insurance for aircraft during the production build cycle including all ground and flight-testing. The owner is responsible for insurance upon acceptance of the completed aircraft.

Pricing

Pricing for the conversion is as identified in section one of the attached estimate. Items marked TBD will be quoted as additional work as identified.



530FF Helicopter Conversion Program

Conversion Program

The aircraft owner may provide, if desired a new or used Rolls-Royce model 250-C30 engine for use in the converted helicopter. If an owner of the aircraft chooses a used engine, it is his sole responsibility to provide documentation for the airworthiness of the engine, i.e. an 8130 or a parts release form. To ensure the power output of the engine, a current test cell run sheet of the subject engine is necessary. Review of the necessary CEB's/CSL's compliance list will be required.

A new engine will be included through MDHI as part of the baseline conversion price. MD Helicopters Inc. will provide all other necessary parts required for the conversion process.

The conversion of a 369E model helicopter to a 369FF model helicopter is segmented into several different operations. Each operation completes various portions of the entire conversion process. The following is a brief description of each operation:

1. Initial Aircraft Inspection

This operation inspects the aircraft and records to determine the following:

- A. The helicopter Maintenance records for compliance with applicable EN's/SB's and AD's (most "E" model EN's/SB's are equivalent to the "FF" model).
- B. Configuration of the airframe in regards to previously installed optional equipment and STC's for compatibility and conformity on the model 369FF helicopter.
- C. Component time remaining is sufficient for operation as a 369FF model.
- D. Airworthiness of the airframe and flight safety components.
- E. All "FF" model bulletins and AD's will be complied with.
- F. F. All accessories and optional equipment

NOTE: All discrepancies and non-conformities will be listed on a Inspection Discrepancy Report (IDR) and provided to the aircraft owner for MDHI engineering disposition prior to any work being started.



530FF Helicopter Conversion Program

2. 369E Unique Component Removal

Removes Life Limited components and parts that are unique to the "E" model only and will not be used for installation on "FF" models as follows:

- 250-C20B or RII engine
- Main Rotor Blades
- Tail Rotor Blades
- Tail Rotor Drive Shaft
- Horizontal Stabilizer
- Starter-Generator
- Main Rotor Transmission Drive Shaft (Bendix)
- Tail Rotor Drive Shaft Couplings (Bendix)
- Tail Rotor Gearbox Assembly

These components along with other "E" model unique parts remain the property of the MDHI and in no way effect the MD Helicopters Inc price of the conversion. Identification of the removed parts not to be used at the time of the conversion will be identified on a parts removal form and presented to the customer.

The conversion process necessitates the removal of the following components to facilitate other maintenance and will be reinstalled after the conversion:

- Main Rotor Transmission
- Main Rotor Drive Shaft
- Tail Boom (will be upgraded)
- Tail Rotor Assembly
- Heat/Defog System
- Engine Oil Tank
- Engine and Transmission Oil Coolers
- Inlet Particle Separator
- Seats and Interior Panels
- Access Panels and Covers
- Engine Bay Doors (will be modified)
- Cabin and Aft Passenger Doors

3. "FF" Model Controls Conversion

Installs the engine N² droop compensator actuator control rod, engine mounted support bracket and fork extension unique to the "FF" model.



530FF Helicopter Conversion Program

Installs the N¹ fuel control bellcrank unique to the “FF” model.

4. Plenum Chamber and Firewall Conversion

Modifies the existing plenum chamber to accommodate the C30 engine inlet.

Installs the Engine Compressor Water Wash kit (if not previously installed).

Installs the forward tail rotor drive shaft damper.

5. Engine Mount Installation

Removes the upper airframe 250-C20 engine mounts.

Installs the lower and upper airframe 250-C30 engine mount.

6. Aft Fuselage Section Modification

Installs the engine oil filter access panel and the compressor shroud bleed duct on the left side of the turtleback assembly. **(TB369F-004, “250-C30 Engine Surge Fix Modification” will be incorporated at time of airframe conversion)**

7. Engine Bay Door Modification

Modifies existing engine bay doors to accommodate the C30 engine by trimming clearance in the lower aft section and adding enclosure fairings.

Installs air ducting and brackets for the Starter Generator cooling system.

8. Sealing and Paint Touchup

Seals areas in which modifications or repairs have been made.

Prepares the surface and applies a topcoat (white epoxy paint) to the plenum chamber area, engine bay and engine bay doors.



530FF Helicopter Conversion Program

Provide a primer coating for any external modifications or repairs.

The conversion program base price does not allow for exterior painting other than stated above. Painting to match existing paint scheme or new paint can be completed for an additional cost. *****

9. Sound Proofing and Heat Shield Replacement

Installs new sound proofing panels on the forward and aft sides of the engine firewall that need replacement due to the conversion process.

Installs C30 cooling duct brackets on the left side of the turtleback area.

Installs a new turtleback firewall blanket.

10. Tailboom and Vertical Stabilizer Conversion

Modifies the "E" model Tailboom into "FF" model configuration (369D23500-507) by installing additional tail rotor control rod support brackets and adding a Tailboom extension.

Due to reduced life limit for the F model, the existing Vertical Stabilizer will be removed and replaced with a new assembly P/N 369D23600-505.

11. Tail boom Installation

Installs a new wire harness to accommodate the additional length added to the Tailboom.

Installs and adjusts the breakaway friction of the tail rotor drive shaft dampers.

12. Engine Build-up and Intallation

The following parts removed from the C20 engine maybe installed on the C30 engine installation, providing their serviceability:

2 ea.	369H4551	Tach Generators
1 ea.	369F5450	Clutch Assembly
1 ea.	369A7702	N ² Governor Bellcrank
1 ea.	369A7706	N ² Governor Rod



530FF Helicopter Conversion Program

- 1 ea. 369A8005 Clutch Seal Assembly
- 1 ea. 369H8131 Engine Fuel Pressure Hose
- 1 ea. 369H8144 Engine Fuel Pressure Switch

Installs engine operating components, wire harness and mounting pads.

Installs a 200 amp starter generator.

Provides for engine installation and alignment procedures.

Provides for engine to transmission drive shaft shimming.

13. Engine Support Equipment Installation

Installs the starter generator air cooling ducts and brackets.

Installs the air cooling inlet scoop on the right side engine bay door

Installs the empennage assembly and adjusts the horizontal stabilizer angle of incidence.

Installs new VNE cards.

14. T/R Drive Shaft and Transmission Installation

Installs a new tail rotor control rod in the tail boom.

Installs and shims the tail rotor drive shaft and tail rotor gearbox.

Installs New Tail Rotor Gearbox Assembly P/N 369D25400

15. Tail Rotor Installation

Installs "FF" model tail rotor blades on the tail rotor assembly.

Installs the tail rotor assembly on the tail boom.

Completes tail rotor rigging procedure.

16. Electrical System Conversion

Installs new engine instruments:

- N² dual Tach
- Torque indicator
- Turbine outlet temperature indicator
- 200 amp ammeter

Installs new wiring systems:

- N² overspeed test
- Auto reignition
- Engine anti-ice
- Starter generator

17. Preflight

Reinstalls all of the access covers, fairings, doors and components removed for the conversion process.

Performs aircraft weight and balance procedure.

Performs electrical system functional checks.

Performs fuel system calibration.

Adjusts main rotor damper settings.

18. Flight Testing

Perform Limited Test Flight per MDHI PFTP and checklist

Adjusts voltage regulator settings.

Performs main rotor track and balance procedures.

Performs Autorotation to assure Main Rotor RPM

Performs tail rotor balance procedures.

Adjusts engine N¹ and N² speed settings.

Performs engine power assurance check.



530FF Helicopter Conversion Program

19. Final Prep and Delivery

Completes aircraft and engine logs.

Installs loose equipment (flyaway kit).

Completes a final paint touch-up.

A new airframe logbook will be issued.

A new Rolls-Royce Service Manual (ordered by MDHI, Shipped to customer directly from Rolls Royce.

A new Rotorcraft Manual will be issued.

20. Airworthiness Certification

A new aircraft data tag will be marked with the appropriate "FF" model serial number and be affixed to the airframe, adjacent to the existing "E" model data tag. The "E" model data tag will remain on the airframe for historical reference.

The original Aircraft Logbook will be retired and returned to the owner. A new logbook will be issued to the owner at the completion of the conversion.

As a result of the conversion, the airframe total time will reflect 0.0 hours as an "FF" model helicopter. All Calendar and Hourly Inspections applicable to "FF" model helicopters will be complied with during the conversion process in accordance with MD Helicopters Inc. Maintenance Manual CSP-HMI-2.

Component times will remain as they were upon arrival unless otherwise specified.

Quality and Certification departments complete a final survey of records, logbook entries and all work performed.

The aircraft will be issued a new Airworthiness Certificate as a 369FF model helicopter.