SPRING 2018

Birthdays:

- Vic Abuan, Michele
 Quinn, Jim Lavoie, Angie
 Johnson, Greg Giles, Sam
 Smith, Laura
 Paganucci and Joan
 Devlin in April
- Clark Dever and Doug Cavileer in May.
- Brian Berrey,
 Lindsey Schofield,
 Stephen Petoniak
 and Elliot Eudaley in
 June
- Dave Aldrich,
 Michelle Boothe,
 Celeste Church,
 Evan Gertis, Eric
 Schamberger, Kyle
 Wood and Arnon
 Hawkes in July

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Research and Engineering Development, LLC

A Message From The CEO

Happy summer to everyone! I hope you have vacation plans made or in mind. This is the time of year to kick back a little bit and recharge your batteries. Enjoy, be safe and be well. Summer also marks the time of year for our annual benefits renewal. Please keep an eye out for information from Angie as to how and when to effectuate your renewal. 2018 is the 20th anniversary for RED-INC. Stay tuned for details as to how and when we intend to celebrate this milestone.

The first half of 2018 has seen a number of accomplishments for RED-INC.

Our HSI team remains busy supporting AIR-4.6. In addition, we have completed and submitted our proposal for the re-compete effort for our current AIR-4.6 contract. Contract award announcement is expected before fiscal year end. Please keep an eye on your funding levels as we will be required to navigate another contract period changeover in September. For more on HSI, please see Curt's message inside.

Team 2 efforts have resulted in the successful completion and receipt of ISSO 9001 and CMMI 2 process certifications. This 18-month long exercise was difficult and time consuming and evidences our commitment to quality in support of our customers. Team 2 also led our efforts in complying with new Cyber Security standards issued by the Department of Defense. These new standards require contractors to protect, account for and safeguard Covered Defense Information (CDI). The standards are effective at the end of 2018. You will receive training later this summer regarding these new standards. Stand by for further information on the training. For more on Team 2, please see information inside.

Our IW contract option year 4 extension is under way and should be in place as scheduled for July 2, 2018.

The Wildewood team continues to make progress with respect to our accounting and financial system conversion from Deltek GCS to Costpoint. Most of the changes in policies and procedures are being handled by the Wildewood team, but each of you should have seen changes in timesheet reporting already. More changes are coming with respect to expense reporting and other items. Stay tuned for further information.

Have fun this summer and thanks for your efforts!

PAGE 2

Curtis D. Stansfield Curt.stansfield@red-inc.us



Research and Engineering Development, LLC. has reached a milestone this year. RED-INC is 20 years old this year! Our team of professionals has been doing business with NAVAIR and NAWCAD since 1998. Congratulations to all of you for helping RED-INC achieve this major milestone!

I think Spring has finally started to show up after what seemed to be a very long winter, what a crazy weather year we have had so far. I have already started my yard chores and realized very quickly how much the winter hibernation has played in the shape I am in. Hopefully everyone has had the time to get their spring gardening and the grass mowed every couple of days completed in between the rain showers we had nearly every day during the month of April. Grade school, Middle school, High school and for us older folks, College Graduations are happening. Enjoy your families and the time you have with them! As you start to plan your summer vacations with your families and friends, or take long weekend to travel someplace romantic with your spouse or significant other, or even just a staycation relaxing at home, have a primary plan and a backup plan, just in case Murphy shows up and evokes his law. Be safe, we want everyone to be around for many years to come. I sincerely hope everyone has a great summer but moreover make sure your plans are well thought out so that you stay healthy.

At the time of this writing, RED-INC is in full swing of writing the proposal for M802 contract re-compete. By the end of this summer, we should for all intents and purposes have a new contract. Hopefully we won't be met with too many challenges and obstacles while this transition takes place.

I cannot tell you how much in awe I am with the professionalism and dedication of our folks that demonstrate it on a daily basis. Hopefully everyone has had an easy time transitioning to the updated time accounting software. The Wildewood Staff have been reconfiguring their efforts to better support the variety of direct and indirect activities going on throughout the company. My hat is off to them for continuing to provide superior support on a daily basis to all of us as they continue to strive to become more efficient and streamlined.

It goes without saying, but I wanted to make sure everyone knows that they are an appreciated part of the RED-INC Team! The best commodity we have at our disposal and the most important foundational cornerstone of RED-INC is our people. Without each of you, RED-INC would cease to exist and stop operating in the manner in which our customers have become accustomed to. I strongly encourage each of you to take care of yourselves and your families first and foremost. Staying on task and providing superior support becomes extremely hard to accomplish if in the back of your mind all you can think about is your family. Your work/life balance is one of the hardest things an individual can endeavor to accomplish successfully. However, there may be a time when you will be called on to make RED-INC and your customers a priority. Most times, this priority is very short lived, thankfully. As you are probably already aware, RED-INC is counted on as an experienced professional human systems integration company, delivering high quality products and services to our internal and external customers. You are the face of our company to the customers. Everyone is truly an exceptional part of the RED-INC family. Together, we can go a long way. And our good work will and must continue. RED-INC's relationships are stronger than ever and our people are determined. I know you will continue to accomplish great things for RED-INC and our customers.

Always stay focused on the warfighter and your customers. Minimize your distractions. Take risks. Innovate. Execute. Learn. And, most importantly, reach across business, technical and programmatic boundaries to solve problems as a team and improve yourselves a little bit every day.

Curtis Stansfield

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Welcome to the Team

Marcus Eisendorf

Marcus Eisendorf was recently hired as an Industrial Designer for Team 2. He grew up in Santa Cruz, California. A small beach town with a big name. He is obsessive about burritos, pizza, and your grandmother's furniture. He likes to breathe in that fresh air, and whistle down the street.

Eisendorf graduated in 2017 with a BFA in Industrial Design from Rochester Institute of Technology. Since 2013, he has designed housewares, consumer electronics, and communication devices for flight operators. He's also worked in an injection molding factory and taught design tools to the youth. He's very excited to jump into the defense industry and explore new ways of working and creating rewarding experiences, both in and out of the office.





Nicole Battaglia

was hired as a Project Manager with additional responsibilities as a T&E Engineer for Team 2. Originally from Florida, she graduated from the United States Naval Academy with a BS in Aerospace Engineering. She holds a Master's in business from Naval Postgraduate School. She is retiring after 23 years of active duty service in Navy. She enjoys flying, hiking and swimming.

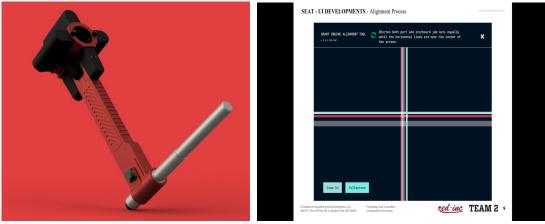


Accomplishments

RIF BAA Contract

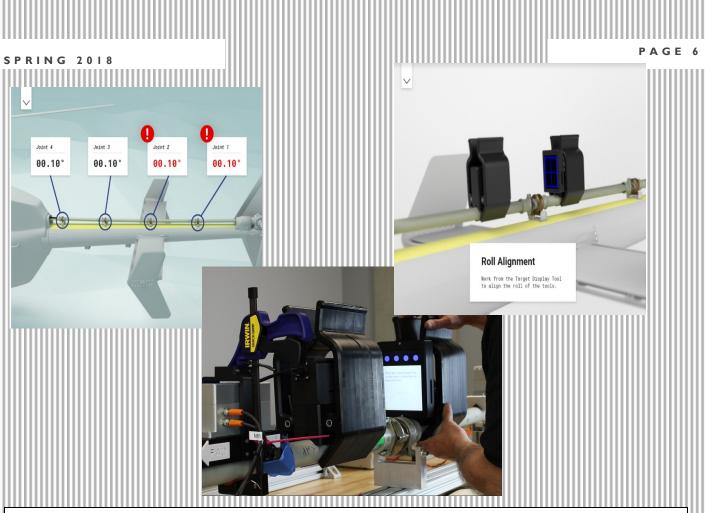
SEAT

The Smart Engine Alignment Tool (SEAT) has repeatedly allowed maintainers to conduct the engine alignment procedure on the MQ-8B helicopter much faster and with increased accuracy. The intuitive user interface walks maintainers through the procedure step by step and provides visual feedback of alignment adjustments. The team is scheduled to deliver SEAT the week of 30 July 2018.



SDSAT

The Smart Drive Shaft Alignment Tool (SDSAT) aims to repeat SEAT's alignment success, although it is calculating the tail rotor drive shaft alignment of the MQ-8C. Team 2 has built a device that uses computer vision technology to provide extreme accuracy to a procedure that currently is prone to measurement errors and human errors. Additionally, while the current procedure is unable to be performed at sea, SDSAT removes the need to use gravity for measurements, allowing additional capability for maintenance to be done aboard the ship and increasing operational abilities. The team is scheduled to deliver SDSAT the week of 27 AUG 2018.



M803/TDL-12 Sense and Avoid Research

One challenge with flying an unmanned air vehicle (UAV) is the removal of visual capability of the pilot to see and avoid objects and prevent collisions. Therefore, a system that allows the UAV to sense and avoid (SAA) objects has been identified as an important technology to develop. Team 2 has been conducting research and interviews with UAV pilots in an effort to determine what information needs to be included in a SAA display, as well as identifying follow-up studies that need to be done in order to understand how best to implement the information into the display. This report will be finalized and submitted to the Program Office in May.

M803/TDL-4 Mission Control System Recorder

Team 2 has engineered a system using COTS components to synchronizes all monitor and audio feeds from the Mission Control System (MCS) for the Fire Scout program into a single recording file that's viewable on NMCI compliant computers. It facilitates the recording of UAV Deployable Unmanned Control Kit (DUCK) operator data streams and is engineered to digitally repeat the data streams to a recording device to create video files. Team 2 developed custom software to combine, edit, and export these video files for review and analysis. The MCS recorder is scheduled for testing in May. The current prototype is used for flight test for First Scout, but there are efforts underway to expand the program across multiple platforms and potentially into an operational deployment. Team 2 could not have executed this project without the sup-





Vortex Shelf

Team 2 has been tasked with procurement of the Vortex Shelf inside the MQ-8B. The team has qualified and conducted site visits to contract manufacturers, created the requiring purchasing documentation, and delivered an initial unit to support a test fit on the aircraft. A second prototype and test fitting will occur on 22 MAY 2018.

SRP SPIRAL 1.5 PL Shelf

Team 2 is currently integrating the SRP Spiral 1.5 PL into the MQ-8B. We are developing a shelf to mount the SRP unit in Aft fuselage of the aircraft. Team 2 is also developing the wiring harnesses and cables for this integration and providing a thermal analysis to ensure the environment is suitable for this application. The delivery date for the analysis and component drawing is 15 May 2018.

Nav Light Cover

Team 2 was tasked with designing a cover to reduce the viewable angle of the Navigation Lights on the MQ-8C. In our new prototyping and fabrication facility, we created high toleranced CNC molds that allow us to thermoform a thin walled plastic part that can be inserted inside the existing flight qualified Navigation Light Cover. This clever engineering solution allows us to achieve the required reduced visibility without a need to go through the steps required to make a modification to the airframe itself. This innovative approach is saving PMA-266 budget and schedule risk. Four new cover sets are being produced for a June 11th delivery



RED

date, with testing of the covers planned for late June.



Accomplishments Continued

CMMI Level 2 Achieved by Team 2 By John Futscher

In February, Team 2's Research and Development capability was successfully assessed at Capability Maturity Model Integration Level 2. This assessment affirms that Team 2's processes and procedures reflect best practices for an agile development team of relative size and experience. It furthermore reassures any potential customers in any field that the team possesses the ability to deliver high quality work on time and budget.





RED-INC is Awarded a Copyright for Team 2's ADIRT Software Engine By Greg Giles

In January, Team 2's Software Development Team applied for a copyright for the Augmented Digital and Imaging Technology (ADIRT) software engine. The ADIRT engine is an integral part of all the maintenance and operator devices and applications Team 2 is developing and delivering to their customers. The Certificate of Registration was received on May 14th. This is yet another milestone that RED-INC has achieved in both growing the business in new and different directions and protecting the unique applications and devices Team 2 is creating. This is an exciting time to be a member of RED-INC!



Special Interest & Recognition



RED-INC Buffalo Office Ribbon Cutting

(From left to right: Thomas A. Kucharski - CEO of Invest Buffalo Niagara, Mayor Byron Brown, Unnamed Intern, Lt. Governor Kathy Hochul, NYS Assembly Member Crystal People Stokes, Leo Kilgore, Clark Dever

On April 26th, RED-INC's Buffalo office had it's official ribbon cutting with various politicians from the state of New York and news media in attendance.

"RED-INC's decision to expand its operations to Western New York is just the latest example of how our focus on the upstate economy is translating into jobs and new opportunities across the region," Governor Cuomo said. "We will continue to attract high-tech companies like RED-INC as we grow the 21st century economy, creating a stronger New York to work and live in." -Governor Andrew M. Cuomo

RED-INC has established its office and high-tech lab space in the Larkin Commerce Building at <u>701 Seneca</u> <u>St</u>. in Buffalo. RED-INC has positioned itself as a valuable resource for Department of Defense customers and commercial companies alike. The new employees will be experts in areas such as product development; physics; numerous engineering disciplines to include computer, software, mechanical and aeronautical; and will be former military operators with specific and relevant mission experience. They are presently working on tools and systems to support the United States Navy's MQ-8C "Fire Scout", which is a combat proven, autonomous helicopter system that provides real-time Intelligence, Surveillance, Reconnaissance, and Target-acquisition (ISR&T), laser designation, and battle management to tactical users without relying on manned aircraft or space-based assets. Fire Scout has the ability operate from any air-capable ship or land base in support persistent ISR&T requirements. The expansion included the purchase of machinery and equipment, as well as employee development and training. Most of Team 2's employees are graduates of SUNY University at Buffalo.

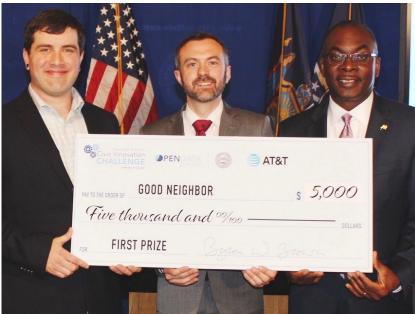
"The investment from RED-INC is yet another symbol of the economic turnaround in Buffalo and Western New York," said Lieutenant Governor Kathy Hochul, who attended today's ribbon-cutting at RED-INC in Buffalo. "Cranes are in the sky, storefronts are being filled, and new companies like RED-INC are moving to Buffalo and creating good-paying jobs. In December we celebrated the commissioning of the new Littoral Combat Ship, the USS Little Rock here in Buffalo. The workers at RED-INC provide support to the unmanned helicopters that deploy from the USS Little Rock. This is truly a great success story that has come full circle."

Media Coverage from the event: WGRZ-TV: <u>RED-INC expands in Buffalo</u>

WBEN-radio: <u>Military contract company, RED-INC-sets up shop in Larkinvile</u> WBFO-NPR: <u>Defence contractor moves into Larkinville</u> Buffalo News: <u>Defense contractor sets up shop in Larkinville with state help</u> Business First: <u>RED-INC opens R&D division in Larkin district</u> WIVB, WKBW and Spectrum News also attended and reported but stories are not posted online.

Special Interest & Recognition

Clark Dever wins Buffalo Civic Innovation Challenge



(Left to Right: Clark Dever, Jordan Walbesser, Mayor Byron Brown)

Team 2's members continue to be leaders in their local community. Deputy Division Lead, Clark Dever and his friend Jordan Walbesser won the \$5,000 grand prize on May 8th in the city's first annual Mayor Byron Brown, Civic Innovation Challenge for their Good Neighbors app. The Good Neighbor app was

selected from 100 submissions and uses "open data" from the city of Buffalo to help new residents quickly access information about Emergency Services, Healthcare, Education, Community, Democracy, and Housing.

More information about the app can be found here:

The City of Good Neighbors (ACTUAL IMAGE FROM THE APP)

https://www.youtube.com/watch?v=TuIPnZ9CvD4

Angie Johnson 301.737.4361 ext. 12 angie.johnson@red-inc.us

Human

Resources



New Hires:

Arnon Hawkes joined Team 2 on May 15th as a Machinist

Eric Calvano joined H S I as a developer supporting the HCIL lab on 4/9/18. Eric comes to RED-INC with several years of experience as Developer and Software Tester. Eric is pursuing his degree in Computer Science.

Michael Fitzerald joined H S I as a Human Systems Specialist on 3/5/18. Michael relocated here from Pennsylvania. He comes to RED-INC with a Master of Science degree in Human Factors and Systems from Embry Riddle Aeronautical University.

Welcome Back:

Kristie Sparks rejoined 4.6 on 4/23 at a Project Analyst and Kate Warren rejoined IW on 4/23 working in Crystal City.

Annual Profit Sharing Contribution

The Company contributed money toward the annual profit sharing allocation to eligible employees of Research and Engineering Development LLC 401k Retirement Plan for 2017. Contributions to employees were reflected in accounts during the 1st quarter of 2018. You can access your account online, by going to www.benefitsforyou.com.

Farewells:

Dominique Quezada, Sean McKenna, William McLain, Steve Henry and Randall Christian transferred out of RED-INC to Longwave at the conclusion of their temporary assignment.

Rich Wilmore, Ed Otten, Dan Epting and Robert Millward transferred out of RED-INC to the Government. Jeff Brown and Jim Rodriguez left RED-INC due to funding challenges. Hameedah Greaves left RED-INC in April for other opportunities.

Hameedah Greaves left RED-INC in April for other opportunities.



To Ron Galvelis who retired from RED-INC on 5/25/18 after 12 years with the Company. Ron is excited to be relocating in the near future to be closer to his family.

And to Erin Unkle (Hardman) on her marriage on March 10th





Cyber Security Update

By Ryan Ernst ryan.ernst@red-inc.us

In 2017, Congress mandated universal Cyber Security standards to all areas of the Department of Defense (DoD) in Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012 to protect Covered Defense Information (CDI). DFARS 252.204-7012 regards CDI as defined in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171 controls. To safeguard CDI, all contractors are to implement the controls listed in NIST SP 800-171, as soon as practical, but no later than Dec 31, 2018. RED-INC is working towards becoming compliant prior to the December 2018 deadline.

Over the past several months, Team 2 has spearheaded RED-INC's efforts towards compliance while balancing operational efficiency. These efforts have included creating a System Security Plan (SSP) of implemented controls, a Mitigation Plan for implementing new controls, and various policies and procedures. The new policies relating to Computer Security, Software Updating, Information System Disposal, Encryption, Cyber Incident Handling, Password Safety, Remote Access, and Acceptable Use will be added to our Employee Handbook. All current RED-INC employees will be participating in a training session to be scheduled later this summer in order to be briefed these new policies and procedures. Employee compliance will make RED-INC more competitive to win future contracts. We appreciate your assistance and cooperation in ensuring our workplace is more defensible and secure.

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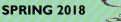
Date	Federal holiday	Day of the week
January 1, 2018	New Year's Day	Monday
January 15, 2018	Martin Luther King Day	Monday
February 19, 2018	Presidents' Day	Monday
May 28, 2018	Memorial Day	Monday
July 4, 2018	Independence Day	Wednesday
September 3, 2018	Labor Day	Monday
October 8, 2018	Columbus Day	Monday
November 11, 2018	Veterans Day	Sunday
November 12, 2018	Veterans Day (observed)	Monday
November 22, 2018	Thanksgiving Day	Thursday
December 25, 2018	Christmas Day	Tuesday





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Regional Events

For more events please visit <u>https://</u> www.visitstmarysmd.com/events-entertainment/

Beerfest

Saturday, June 23rd 12:00 PM— 6:00 PM

Historic St. Mary's City

Enjoy Historic St. Mary's City's annual celebration of brews, food, and music! Sample select craft brews, local cuisine, artisans, demos, activities and live music. Admission.

St. Mary's County National Lawn Mower Racing

Friday, August 3rd 5:00 PM–10:00 PM Saturday, August 4th 2:00 PM-10:00 PM

Bowles Farm: 22880 Budd's Creek Rd Clements, MD 20624

See racers from across the country compete in the thrilling annual St. Mary's County National Lawn Mower Races at Bowles Farms. Food, family activities, and much more. Admission.

Solomon's Fireworks

Monday, July 4th Fireworks start between 9:00 & 9:15 Rain Day is July 5th

The Solomons Business Association (SBA) proudly sponsors the annual Solomons Independence Day fireworks display

Watch a glorious parade of decorated boats and crew showing their patriotic colors! Parade begins at noon, and can be viewed from many waterfront locations in Solomons

Parking available in grassy area of Glascock Field.