

Board Summary

VadaTech, Inc.
 198 N. Gibson Road, Henderson, NV 89014
 Tina Hacker, Controller
 Hi-Tech Manufacturing

Date: September 17, 2015
 Main Location: Las Vegas, NV

Business Type: Expansion

County: Clark County

Development Authority Representative: Michael Walsh - LVGEA

APPLICATION HIGHLIGHTS

- VadaTech, Inc. is applying for Sales Tax, Modified Business Tax, and Personal Property Tax abatements.
- Meets statutory average wage and capital investment levels.
- Existing 78 employees at an average hourly wage of \$26.17 prior to expansion plans.

PROFILE

VadaTech Incorporated has been in business since 2004 in Nevada. They are a "hi-tech" company that specializes in designing and manufacturing board level solutions for applications in the aerospace, military, and telecommunications markets. The company provides innovative embedded computing solutions from board-level products chassis level platforms, to configurable application-ready systems. *Source: VadaTech, Inc.*

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND

VadaTech has received prior incentives, from the State of Nevada, for expansion of their new state of the art corporate headquarters and manufacturing plant in Henderson. These incentives aided in their growth efforts and are recognized by the company as a key factor in their success. The company is now in need of additional capital equipment that will allow them to continue to grow, also keeping more processes in-house to avoid outsourcing, and to hire more employees. Their expansion will continue to promote and solidify the technology industry in Nevada. *Source: VadaTech, Inc.*

REQUIREMENTS	Statutory	Application	Sufficient	% Over / Under
Job Creation	25	6	No	-76%
Average Wage	\$20.89	\$30.13	Yes	44%
Equipment CapEx (SU & MBT)	\$361,547	\$4,306,000	Yes	1091%
Equipment CapEx (PP)	\$361,547	\$4,306,000	Yes	1091%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	Abated to 2%	\$262,700
Modified Business Tax Abmt.	50% for 4 years	\$4,500
Personal Property Tax Abmt.	50% for 10 years	\$138,100
Total		\$405,300

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	6	6	0

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$0	\$0	\$0

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total
Total Jobs Supported	10
Total Payroll Supported	\$5,660,930
Total Output Estimate	\$23,535,230

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)	Direct	Indirect	Total
Local Taxes			
Property	\$56,700	\$129,600	\$186,300
Sales	\$0	\$105,100	\$105,100
Lodging	\$0	\$2,200	\$2,200
State Taxes			
Property	\$3,300	\$7,900	\$11,200
Sales	\$86,100	\$35,100	\$121,200
Modified Business	\$16,700	\$25,500	\$42,200
Lodging	\$0	\$600	\$600
Total	\$162,800	\$306,000	\$468,800

COST-BENEFIT ASSESSMENT	Economic Impact per Abated Dollar	New Total Tax per Abated Dollar
	\$58	\$1.16

EMPLOYEE BENEFITS

- Percentage of health insurance covered by company: 89%.
- Health care package cost per employee - \$3,798 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Bonus, Retirement Plan.

NOTES

- Percentage of market outside of Nevada: 98%.
- Average hourly wage is significantly higher than statewide average hourly wage of \$20.89.
- Prior incentives were awarded to the company in 2012. The incentive package included: Personal Property Tax, Sales & Use Tax and Modified Business Tax. The company is currently compliant with all abatement audits.



August 4, 2015

Mr. Steve Hill
Executive Director
Governor's Office of Economic Development
808 W. Nye Lane
Carson City, NV 89703

Dear Mr. Hill:

VadaTech, Inc., is submitting an expansion application to the state for all three tax incentives: Sales & Use, Modified Business Tax, and Personal Property Tax. We have requested this company be placed on the September 2015 board meeting agenda.

When VadaTech, Inc., expands operation in Henderson, they will employ 6 new employees and pay an average hourly wage of \$30.13. In order to accomplish this, they will make a capital investment of approximately \$4,306,000.00.

Las Vegas Global Economic Alliance (LVGEA) has reviewed the application for the tax abatements this company is seeking. The company's representatives became interested in these programs through discussion with the LVGEA.

LVGEA extends its support to VadaTech, Inc., and asks the Board to approve its request for this consideration.

Warmest regards,

A handwritten signature in black ink, appearing to read "Michael Walsh", is written over the typed name.

Michael Walsh
Vice President of Economic Development



August 3, 2015

Mr. Steve Hill
Executive Director
Governor's Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Dear Mr. Hill,

Please accept our application for incentive programs for expansion from the Governor's Office of Economic Development.

Our company, VadaTech Incorporated ("VadaTech"), has been in business since 2004 in Nevada. We are a "high-tech" company that specializes in designing and manufacturing board level solutions for applications in the aerospace, military, and telecommunication markets.

VadaTech has received prior incentives for expansion for our new state of the art corporate headquarters and manufacturing plant in Henderson. These incentives have aided our growth and are much appreciated. We are now in the need to purchase additional capital equipment that will allow us to continue our growth, keep more processes in-house eliminating out-sourcing, and to hire more employees. Our expansion will continue to promote and solidify the technology industry in Nevada. Since our application in December of 2011, we have hired an additional 22 full-time employees and our plan is to hire a minimum of an additional six more employees within the next twelve months.

Our experience with the representatives from the Las Vegas Global Economic Alliance has been positive and we look forward to your approval of our application to assist us with our efforts of expansion in Henderson. If you have any questions, please feel free to call me.
Thank you for your time and consideration.

Sincerely,



Saeed Karamooz
President & CEO
VadaTech Incorporated

Nevada Governor's Office of
ECONOMIC DEVELOPMENT
Incentive Application

Company Name: VadaTech, Inc
 Date of Application: _____

Company is an / a: (check one)
 New location in Nevada
 Expansion of a Nevada company
 Startup business in Nevada

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement Sales & Use Tax Deferral Train Employees Now (TEN)
 Modified Business Tax Abatement Recycling Real Property Tax Abatement
 Personal Property Tax Abatement Economic Development Rate Rider

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>VadaTech, Inc</u>		FEDERAL TAX ID # <u>20-1461611</u>	
CORPORATE ADDRESS <u>198 N. Gibson Road</u>	CITY / TOWN <u>Henderson</u>	STATE / PROVINCE <u>NV</u>	ZIP <u>89014</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>702-896-3337</u>	WEBSITE <u>www.vadatech.com</u>		
COMPANY CONTACT NAME <u>Tina Hacker</u>	COMPANY CONTACT TITLE <u>Controller</u>		
E-MAIL ADDRESS <u>tina.hacker@vadatech.com</u>	PREFERRED PHONE NUMBER <u>702-896-3337</u>		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Approval Date 02/21/12 (Expansion), Personal Property Tax (On-Going), Sales & Use Tax Abatement/Deferral (Complete), Modified Business Tax (On-Going)

Section 3 - Nevada Facility

Type of Facility:

- Headquarters Service Provider
 Technology Distribution / Warehouse / Logistic
 Back Office Operations Manufacturing
 Research & Development / Intellectual Property Other: _____

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA <u>98%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Sep-2015</u>		
NAICS CODE / SIC <u>334111</u>	INDUSTRY TYPE <u>Hi-Tech/Manufacturing</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Manufacturing of embedded computing applications, including advancedTCA, MicroTCA, and specialty products for the military, aerospace, communications, medical, energy, and research markets.</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS	CITY / TOWN	COUNTY <u>Clark County</u>	ZIP

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?

Section 4 - Site Selection Factors (Optional)

Please rate the following in order of importance to the company's business (1 = very low; 5 = very high):

Availability of qualified workforce: <u>2</u>	Utility infrastructure: <u>2</u>	State and local tax structure: <u>5</u>
Labor costs: <u>3</u>	Utility costs: <u>2</u>	State and local incentives: <u>5</u>
Real estate availability: <u>4</u>	Transportation infrastructure: <u>2</u>	Business permitting & regulatory structure: <u>5</u>
Real estate costs: <u>4</u>	Transportation costs: <u>2</u>	Access to higher education resources: <u>4</u>

OTHER FACTORS & RATINGS

Section 5 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, *not both*.)

NEW OPERATIONS / STARTUP - PLANS OVER THE NEXT 10 YEARS	EXPANSIONS - PLANS OVER THE NEXT 10 YEARS
<p>Part 1. ARE YOU CURRENTLY / PLANNING ON LEASING SPACE IN NV?</p> <p><i>If No, skip to Part 2. If Yes, continue below:</i></p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><i>If No, skip to Part 2. If Yes *, continue below:</i></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. ARE YOU CURRENTLY / PLANNING ON BUYING OR BUILDING AN OWNER-OCCUPIED FACILITY IN NV?</p> <p style="padding-left: 40px;"><i>If Yes *:</i></p> <p style="padding-left: 80px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 80px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 80px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 80px;">How much space (sq. ft.)? _____</p>	<p>Part 1. ARE YOU CURRENTLY LEASING SPACE IN NV? No</p> <p><i>If No, skip to Part 2. If Yes, continue below:</i></p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p><i>If No, skip to Part 3. If Yes, continue below:</i></p> <p style="padding-left: 40px;">Expanding at the current facility or a new facility? _____</p> <p style="padding-left: 80px;">What year(s)? _____</p> <p style="padding-left: 80px;">How much expanded space (sq. ft.)? _____</p> <p style="padding-left: 80px;">Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><i>If No, skip to Part 3. If Yes *, continue below:</i></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. ARE YOU CURRENTLY OPERATING AT AN OWNER-OCCUPIED BUILDING IN NV? Yes</p> <p><i>If No, skip to Part 3. If Yes, continue below:</i></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>72,500</u></p> <p style="padding-left: 40px;">Current assessed value of real property? <u>\$1,868,098.00</u></p> <p>Due to expansion, will you be making building improvements? <u>No</u></p> <p><i>If No, skip to Part 3. If Yes *, continue below:</i></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. DO YOU PLAN ON BUILDING OR BUYING A NEW FACILITY IN NV? No</p> <p><i>If Yes *, continue below:</i></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>
<p>* Please complete Section 6 - Capital Investment for New Operations / Startup.</p>	<p>* Please complete Section 6 - Capital Investment for Expansions below.</p>

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

Section 6 - Capital Investment (Fill in either New Operations/Startup or Expansion, *not both*.)

NEW OPERATIONS / STARTUP	EXPANSIONS
<p>HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below):</p> <p style="padding-left: 40px;">Building Purchase (if buying): _____</p> <p style="padding-left: 40px;">Building Hard Costs (if building / making improvements): _____</p> <p style="padding-left: 80px;">Land: _____</p> <p style="padding-left: 80px;">Equipment Cost: _____</p> <p style="padding-left: 80px;">Total: _____</p>	<p>HOW MUCH CAPITAL INVESTMENT IS PLANNED? (Breakout below):</p> <p style="padding-left: 40px;">Building Purchase (if buying): _____</p> <p style="padding-left: 40px;">Building Hard Costs (if building / making improvements): _____</p> <p style="padding-left: 80px;">Land: _____</p> <p style="padding-left: 80px;">Equipment Cost: <u>\$4,306,000</u></p> <p style="padding-left: 80px;">Total: <u>\$4,306,000</u></p> <p style="padding-left: 40px;">Is the equipment purchase for replacement of existing equipment? <u>No</u></p> <p style="padding-left: 40px;">Current assessed value of personal property in NV: <u>\$1,807,733</u></p> <p>(Must attach the most recent assessment from the County Assessor's Office.)</p>

Section 7 - Employment (Fill in either New Operations/Startup or Expansion, *not both*.)

NEW OPERATIONS / STARTUP	EXPANSIONS
How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of new operations?: _____ Average hourly wage of these <u>new</u> employees: _____	How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of expanded operations?: <u>6</u> Average hourly wage of these <u>new</u> employees: <u>\$30.13</u> How many FTE employees prior to expansion?: <u>78</u> Average hourly wage of these <u>existing</u> employees: <u>\$26.17</u> Total number of employees after expansion: <u>84</u>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Overtime | <input type="checkbox"/> Merit increases |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input type="checkbox"/> COLA adjustments |
| <input checked="" type="checkbox"/> Bonus | <input type="checkbox"/> Tuition assistance |
| <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input checked="" type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Section 8 - Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered? Yes (copy of benefit plan must be **attached**) No

Package includes (check all that apply):

- Medical Vision Dental Other: _____

Qualified after (check one):

- Upon employment Three months after hire date Six months after hire date Other: _____

COST OF HEALTH INSURANCE FOR COMPANY (annual amount per employee):

\$3,798

PERCENTAGE OF HEALTH INSURANCE COVERAGE:

By Company: 89% By Employee: 11%

Section 9 - Train Employees Now (TEN) (if applicable)

Have you received preapproval from GOED? Yes No

Number of qualified employees to participate in training program*: _____

Will these new hires be permanent, full-time employees of the company? Yes No

Is the proposed training plan developed by NVIE complete? ** Yes No

* Employee must be paid at least 80% of statewide average wage at conclusion of the program. **Please attach the NVIE training program as part of this application.

All workforce training monies approved at a scheduled GOED Board meeting will be granted to the appropriate educational institution.

Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

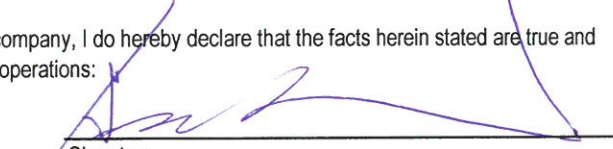
Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations:

SAEED KARAMOZ

Name of person authorized for signature

PRESIDENT & CEO

Title



Signature

8/4/15

Date

Nevada Governor's Office of Economic Development

555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com



STATE OF NEVADA
DEPARTMENT OF TAXATION



NEVADA STATE BUSINESS LICENSE

VADATECH INC
11540 S EASTERN AV
HENDERSON NV 89052

IN ACCORDANCE WITH TITLE 32 OF NEVADA REVISED STATUTES, PURSUANT TO PROPER APPLICATION DULY FILED AND PAYMENT OF APPROPRIATE PRESCRIBED FEE, THE ABOVE NAMED IS HEREBY GRANTED A NEVADA STATE BUSINESS LICENSE FOR BUSINESS ACTIVITIES CONDUCTED WITHIN THE STATE OF NEVADA.

BUSINESS LICENSE
CITY OF HENDERSON, NEVADA

EXPIRATION DATE: October 31, 2015
Scope: MISCELLANEOUS
License Class/No.: 010C-GROSS REVENUE/2004304822
Business Name: VADATECH INC.
Business Location: 198 N GIBSON RD
HENDERSON, NV 89014

Kenneth Lowery
BUSINESS LICENSE SUPERVISOR

This document is not transferable and IS NOT issued in lieu of any locally required business license, permit or registration.





UNSECURED PROPERTY TAX BILL - SPECIAL USE PROPERTY

Clark County Nevada

Michele W. Shafe, Assessor

500 S. Grand Central Pkwy, 2nd Floor, Las Vegas, NV 89155

www.ClarkCountyNV.gov/Assessor

Bill No.: 731747

Prior Acct. #: 99-128272

Phone: (702) 455-3882

Date: 05/29/2015

Fiscal Year	Account	Tax District	Tax Rate	Property Location and Description
2014/2015	132662	505	2.8976	198 N GIBSON RD HENDERSON
Assessed Valuation				
Property Value			1,807,733	Miscellaneous Personal Property
Name				Exemption Values
VADATECH INC 198 N GIBSON RD HENDERSON NV 89014-				Economic 867,077
				Total Exemption 867,077

Sale or disposal of this property after July 1, 2014 does not relieve the obligation to pay this tax.

Property Value Ad Valorem Tax	165.02
Abatement Amount	0.00
*Abatement Applied Limits Increase To 3.00%	
Net Ad Valorem Tax	165.02
New Property Value Outside CAP	52,215.87
Adjusted Tax Amount	0.00
Exemption Amount	-25,124.43
Recapture Amount	0.00
Net Tax Amount	27,256.46
Penalties	0.00
Miscellaneous Fees	0.00
Veteran's Home Donation	0.00
Total Amount Billed	27,256.46
Less Payments Applied	0.00
Balance Remaining	27,256.46
Prior Year Delinquencies	0.00
Total Balance Owning	\$27,256.46

Current Year Tax Distribution		
Agency	Rate	Amount
Clark County Capital	0.0500	470.33
Clark County Debt	0.0129	121.34
Clark County Family Court	0.0192	180.60
Clark County General Operating	0.4470	4,204.74
County School Debt (Bonds)	0.5534	5,205.60
County School Maintenance & Operation	0.7500	7,054.93
Henderson City	0.5608	5,275.20
Henderson City Debt	0.1500	1,410.98
Henderson City Library	0.0593	557.81
Indigent Accident Fund	0.0150	141.10
Medical Asst to Indigent Persons	0.1000	940.66
State Cooperative Extension	0.0100	94.06
State of Nevada	0.1700	1,599.11

Totals 2.8976 27,256.46

Detail of Amount Due		
Description	Total Due	Minimum Due
Tax Year 2014/2015	27,256.46	27,256.46
Total	27,256.46	27,256.46

Payment Installment(s)		
Description	Due Date	Amount Due
Installment 1	06/26/2015	27,256.46
Installment 2		0.00
Installment 3		0.00
Installment 4		0.00

Payments received will be applied to the oldest charge first.
To avoid penalties, payments must be postmarked by due date.
Penalties are 10% of the tax amount due.

All delinquent amounts are due immediately.

If property is protected by bankruptcy, this is for your information. Do not consider this an attempt to collect.

Account has been amended. This tax bill reflects the correct amount of taxes due, please disregard any prior billing.

Nevada Regional Project Assessment System - Project Summary

For the Years: 2015-2024

Jobs and Payroll

New direct jobs created	6
New direct payroll	\$376,043
Average hourly wage for project	\$30.13
Industry average wage	\$21.77

Capital Investment

Value of new construction	\$0
Value of new equipment purchases	\$4,306,000

Economic Impact*

Total value economic impact	\$23,535,230
Total new jobs supported	10
Total new payroll supported	\$5,660,936
Household spending supported	\$4,443,245

Construction Impact

Total value construction impact	\$0
Total new jobs supported	0
Total new payroll supported	\$0

New Tax Revenue (direct and indirect)*

Local Taxes

Property	\$186,313
Sales	\$105,140
Lodging Tax	\$2,217
Total Local Taxes	\$293,671

State Taxes

Property	\$11,113
Sales	\$121,218
Lodging Tax	\$554
Modified Business Tax and Commerce Tax	\$42,153
Total State Taxes	\$175,038

* Includes jobs, payroll, output and tax revenues of companies assisted by the Nevada Development Authorities as well as secondary impacts at other local businesses. Report includes only impacts created in 2015-2024. Additional impacts will be generated in future years.