

## Kraus Hamdani Aerospace Inc.

5515 Doyle Street Suite #15, Emeryville, CA 94608

Daneel Siddiky, Chief Financial Officer & Chief Operations Officer

Date: November 20, 2023

### Application Facts:

|             |                      |
|-------------|----------------------|
| Industry    | <b>Manufacturing</b> |
| NAICS       | <b>336410</b>        |
| Type of App | <b>New</b>           |
| Location    | <b>Washoe County</b> |
| RDA         | EDAWN, Amanda Berry  |

### Company Profile

Kraus Hamdani Aerospace Inc. (Kraus Hamdani) plans to establish operations and testing in its location within the Reno Stead Airport. The company was founded in 2016 with the vision of saving lives through Unmanned Aerial Vehicles and associated technologies. The company develops the world's longest endurance fully electric Group-2 Unmanned Aerial Systems (UAS). Kraus Hamdani's world-leading technology mimics birds flying long distances, manages battery systems, uses on-board AI and specialized autopilot technology to enhance flight performance. Its platforms remain airborne longer and fly further to provide critical data while solving global connectivity problems. The K1000 ULE is the company's current primary product, both for sale and use in operations, the bulk of which have been for the US DoD (Army, Navy, Airforce), but also commercial contracts such as oil pipeline monitoring in Oman. Being global citizens, Kraus Hamdani embraces corporate and social responsibility by providing persistent airborne services and technologies addressing sustainable resources, society, and our planet, provisioning rapid emergency communications and provide effective anti-poaching, search-and-rescue services, and geospatial data to solve complex worldwide problems. *Source: Kraus Hamdani Aerospace Inc.*

### Tax Abatement Requirements:

|                             | <u>Statutory</u> | <u>Company Application</u> | <u>Meeting Requirements</u> |
|-----------------------------|------------------|----------------------------|-----------------------------|
| Job Creation (12 months)    | 5                | 5                          | Yes                         |
| Average Wage                | \$29.28          | <b>\$48.60</b>             | Yes                         |
| Equipment Capex (12 months) | \$250,000        | <b>\$7,280,000</b>         | Yes                         |

### Additional Requirements:

|                  |   |                                  |                                      |
|------------------|---|----------------------------------|--------------------------------------|
| Health Insurance | 65%   | <b>90%</b>                       | Yes                                  |
| Business License | <input checked="" type="checkbox"/> Current | <input type="checkbox"/> Pending | <input type="checkbox"/> Will comply |

### Total Tax Liability (without tax abatements)

#### Direct (company)

**\$1,067,052**

#### Total

**\$3,370,806**

### Tax Abatements

#### Contract Terms

#### Estimated Tax Abatement

|   |                  |                    |
|---|------------------|--------------------|
| Sales Tax Abmt.                                   | 2% for 10 years  | \$912,184          |
| Personal Property Tax Abmt.                       | 50% for 10 years | \$598,905          |
| <b>Total Estimated Tax Abatement over 10 yrs.</b> |                  | <b>\$1,511,089</b> |

### Net New Tax Revenues

#### Direct

#### Indirect

#### Taxes after Abatements

#### Local Taxes

|          |           |           |           |
|----------|-----------|-----------|-----------|
| Property | \$689,556 | \$306,168 | \$995,724 |
| Sales    | \$27,566  | \$238,995 | \$266,561 |
| Lodging  | \$0       | \$11,517  | \$11,517  |

#### State Taxes

|                   |           |          |           |
|-------------------|-----------|----------|-----------|
| Property          | \$33,589  | \$18,187 | \$51,776  |
| Sales             | \$300,000 | \$93,043 | \$393,043 |
| Modified Business | \$79,409  | \$57,848 | \$137,257 |
| Lodging           | \$0       | \$3,839  | \$3,839   |

### Total Estimated New Tax Revenue over 10 yrs.

**\$1,130,120**

**\$729,597**

**\$1,859,717**

### Economic Impact over 10 yrs.

#### Economic

#### Construction

#### Total

|                         |              |             |              |
|-------------------------|--------------|-------------|--------------|
| Total Jobs Supported    | 18           | 6           | 24           |
| Total Payroll Supported | \$15,006,937 | \$481,769   | \$15,488,706 |
| Total Economic Value    | \$69,066,638 | \$1,257,656 | \$70,324,294 |

### IMPORTANT TERMS & INFORMATION

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.

October 17<sup>th</sup>, 2023

Tom Burns, Executive Director  
Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

Re: Kraus Hamdani Aerospace, Inc.

Dear Director Burns:

EDAWN hereby supports the application of Kraus Hamdani Aerospace, Inc. for the Aviation Sales & Use Tax Abatement, Aviation Personal Property Tax Abatement on Equipment, and the Aviation Personal Property Tax Abatement on Aircraft incentives.

Kraus Hamdani Aerospace, Inc. plans to establish operations and testing in its location within the Reno-Stead Airport. The company was founded in 2016 with the vision of saving lives through Unmanned Aerial Vehicles and associated technologies.

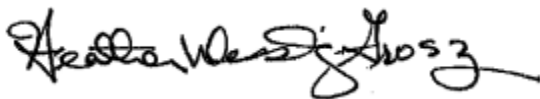
Kraus Hamdani embraces corporate and social responsibility by providing persistent airborne services and technologies addressing sustainable resources, society, and our planet, provisioning rapid emergency communications and provide effective anti-poaching, search-and-rescue services, and geospatial data to solve complex worldwide problems.

The company will be investing approximately \$7,280,000 in equipment capital and plans to hire 5 employees within the first 12 months at an average wage of \$48.60 per hour.

The company's compensation package includes medical benefits, overtime, PTO/sick/vacation, bonus, retirement plan /401K and 90% of the employee health insurance is covered by the company.

EDAWN supports this application as the company meets three of the three incentive requirements. Your consideration and support of the incentive application for Kraus Hamdani Aerospace, Inc. is a significant factor in their pending decision to expand in northern Nevada and speaks favorably to the State's business-friendly environment.

Sincerely,



Heather Wessling-Grosz  
EDAWN, Executive Vice-President  
Business Development



Thomas Burns  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E Washington Ave. Suite 5400  
Las Vegas, NV 89101

Hello Mr. Burns,

Kraus Hamdani Aerospace Inc. was founded in 2016 with the vision of saving lives through Unmanned Aerial Vehicles and associated technologies. The K1000 ULE is the current primary product, both for sale and use in operations, the bulk of which have been for the US DoD (Army, Navy, Airforce), but also commercial contracts such as oil pipeline monitoring in Oman. We have grown to 32 employees as of August 2023, as well as contractors and consultants working with us on a part-time basis. Revenue in 2022 was \$9.2m, and we expect to exceed \$12m in 2023. Nevada offers a potentially attractive opportunity to build out a training and testing facility, and manufacturing is also a possibility. We would conduct payload integration testing, as well as training new hires and conducting on-going training for existing team members. Tax abatement is a significant factor in our expansion plans. Our Nevada operations began in January 2023. We have significant growth plans over the next few years into 100+ employees. Some will be remote, some will be in CA, and some will be in NV. Our markets are worldwide, but our current focus is the US DoD.

**ECONOMIC DEVELOPMENT**  
**Aviation Tax Abatement Incentive Application**

Company is an / a: (check one)

- New location in Nevada
- Expansion of a Nevada company

Company Name: Kraus Hamdani Aerospace Inc.  
 Date of Application: August 11, 2023

**Section 1 - Type of Incentives**

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

- Aviation Sales & Use Tax Abatement: abated to 2% up to 10 years (aircraft excluded)  Other: \_\_\_\_\_
- Aviation Personal Property Tax Abatement (Equip): 50% for 10 years
- Aviation Personal Property Tax Abatement (Aircraft): 50% for 10 years

**Section 2 - Corporate Information**

|   |   |                        |                                |
|---|---|------------------------|--------------------------------|
| COMPANY NAME (Legal name under which business will be transacted in Nevada)<br>Kraus Hamdani Aerospace Inc. |   |                        | FEDERAL TAX ID #<br>83-1030119 |
| CORPORATE ADDRESS<br>5515 Doyle Street Suite #15  | CITY / TOWN<br>Emeryville   | STATE / PROVINCE<br>CA | ZIP<br>94608                   |
| MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)  | CITY / TOWN   | STATE / PROVINCE       | ZIP                            |
| TELEPHONE NUMBER<br>678-561-7207  | WEBSITE<br><a href="http://www.krausaerospace.com">www.krausaerospace.com</a> |                        |                                |
| COMPANY CONTACT NAME<br>Daneel Siddiky  | COMPANY CONTACT TITLE   |                        |                                |
| E-MAIL ADDRESS<br><a href="mailto:daneel.siddiky@krausaerospace.com">daneel.siddiky@krausaerospace.com</a>  | PREFERRED PHONE NUMBER<br>929-330-6401  |                        |                                |

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):

**Section 3 - Job Creation Requirement**

Please check the applicable category the company intends to qualify under with this application:

- New business: Create 5 or more full-time employees within 1 year after approval
- Existing business: Increase the number of full-time employees by 3% or 3, whichever is greater, within 1 year after approval

**Section 4 - Program Elective Requirement**

Please check **one** of the boxes below; the company must meet at least one elective requirement:

- New capital investment of at least \$250,000 in Nevada within 1 year after effective date of Abatement Agreement
- Maintain and possess in Nevada tangible personal property having a value of not less than \$5,000,000 during the abatement period
- The business develops, refines or owns a patent or other intellectual property, or has been issued a FAA certificate (14 CFR Part 21)

**Section 5 - Program Restrictions**

NEVADA REGISTERED COMMON CARRIAGE OPERATIONS **DO NOT QUALIFY FOR THIS TAX ABATEMENT**  
 UNLESS THE BUSINESS IS REGULATED UNDER 14 C.F.R. PART 125 or 135

**Section 6 - Nevada Facility**

Type of Facility (Check all that apply):

- Headquarters
- Aviation Maintenance
- Air Tour Operators
- Business with Private Aircraft
- Aircraft Manufacturing (Non-UAS)
- Unmanned Aerial System Testing
- Unmanned Aerial System Manufacturing
- Other: Aircraft Component Manufacturing

|   |  |                  |              |
|---|--|------------------|--------------|
| EXPECTED DATE OF NEW OPERATION (MONTH/YEAR)<br>February 2024  | EXPECTED DATE OF EXPANDED OPERATION (MONTH / YEAR) |                  |              |
| NAICS CODE / SIC<br>336410  | INDUSTRY TYPE<br>Aerospace                         |                  |              |
| DESCRIPTION OF COMPANY'S NEVADA OPERATIONS<br>We conduct operations and testing in our location within the Reno Stead Airport |  |                  |              |
| PROPOSED / ACTUAL NEVADA FACILITY ADDRESS<br>4895 Texas Ave   | CITY / TOWN<br>Reno                                | COUNTY<br>Washoe | ZIP<br>89506 |

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

**Section 7 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 7 (A)  Real Estate and Construction                      7 (E)  Employment Schedule  
 7 (B)  Capital Equipment List                                      7 (F)  Evaluation of Health Plan  
 7 (C)  Aviation Parts List  
 7 (D)  Aircraft Procurement List

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both)**

| New Operations / Start Up   | Expansions   |
|---|--|
| How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of new operations?: <u>5</u><br>Average hourly wage of these <u>new</u> employees: <u>\$48.60</u> | How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of expanded operations?: _____<br>Average hourly wage of these <u>new</u> employees: _____<br><br>How many FTE employees prior to expansion?: _____<br>Average hourly wage of these <u>existing</u> employees: _____<br><br>Total number of employees after expansion: _____ |

\* FTE means a person who is in a permanent position of employment, works and average of 30 hours per week, and is eligible for company-sponsored health benefits.

OTHER COMPENSATION (Check all that apply):

- Overtime                       Merit Increase                       Tuition assistance                       Bonus  
 PTO / Sick / Vacation                       COLA adjustments                       Retirement Plan / Profit Sharing / 401(k)                       Other: \_\_\_\_\_

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

**Section 9 - 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: \_\_\_\_\_

| Health Insurance Costs:   | Percentage of health insurance premium by (min 65%): |                      |
|---|--|----------------------|
| Plan Type: <u>Aetna Open Access Managed Choice POS Gold 80/50</u> |  |                      |
| Employer Contribution (annual premium per employee):              | <u>\$8,012</u>                                       | Company: <u>90%</u>  |
| Employee Contribution (annual premium per employee)               | <u>\$801</u>   | Employee: <u>10%</u> |
| <b>Total Annual Premium:</b>                                      | <b><u>\$8,814</u></b>                                |                      |

[SIGNATURE PAGE FOLLOWS]

**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. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Sara Ragan  
\_\_\_\_\_  
Name of person authorized for signature

Sara Ragan  
\_\_\_\_\_  
Signature

Senior Accounting & Operations Manager  
\_\_\_\_\_  
Title

August 11, 2023  
\_\_\_\_\_  
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.goed.nv.gov](http://www.goed.nv.gov)

## Site Selection Factors

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

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### Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

|                                      |          |   |          |
|--------------------------------------|----------|---|----------|
| Availability of qualified workforce: | <u>4</u> | Transportation infrastructure:              | <u>3</u> |
| Labor costs:                         | <u>3</u> | Transportation costs:                       | <u>3</u> |
| Real estate availability:            | <u>3</u> | State and local tax structure:              | <u>5</u> |
| Real estate costs:                   | <u>4</u> | State and local incentives:                 | <u>5</u> |
| Utility infrastructure:              | <u>2</u> | Business permitting & regulatory structure: | <u>4</u> |
| Utility costs:                       | <u>2</u> | Access to higher education resources:       | <u>1</u> |

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As a manufacturing company (for now, a transition over time to software is planned) in the aerospace and defense sector, we are sensitive to sales tax costs that either reduce our margins, or push up customer pricing. The abatement reducing sales tax to 2% is critical to our decision of where to create our new testing center. Based on the abatement being available KHA would move a substantial part of our testing activity (to begin with) to Reno.

## 7(A) Real Estate & Construction

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

### Section I - Real Estate & Constructions Projections

Directions: please provide a 10 year projection of the real estate costs for current year (year-1) and future land and building procurement, as well as, current and future annual lease amounts and possible construction costs due to building improvements. Complete [columns (a) and (f)]. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of real estate costs. Attach this form to the Incentives Application.

| (a)<br>Year | (b)<br>Land Cost | (c)<br>Construction Cost | (d)<br>Building Purchase | (e)<br>Annual Lease Amount | (f)<br>Building SqFt |
|-------------|------------------|--------------------------|--------------------------|----------------------------|----------------------|
| Year-1      | -                | -                        | -                        | \$27,192.00                | 2,500                |
| Year-2      | -                | -                        | -                        | \$141,398.00               | 10,000               |
| Year-3      | -                | -                        | -                        | \$296,937.00               | 20,000               |
| Year-4      | \$200,000.00     | \$800,000.00             | -                        | -                          | 30,000               |
| Year-5      | -                | -                        | -                        | -                          | -                    |
| Year-6      | -                | -                        | -                        | -                          | -                    |
| Year-7      | -                | -                        | -                        | -                          | -                    |
| Year-8      | -                | -                        | -                        | -                          | -                    |
| Year-9      | -                | -                        | -                        | -                          | -                    |
| Year-10     | -                | -                        | -                        | -                          | -                    |



# 7(B) Capital Equipment List

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

## Section 1 - Year One Detailed Projection: Capital Equipment List

Directions: please provide a detailed estimate of the company's year one capital investment [columns (b) through (d)]. This detailed estimate will be provided to the Department of Taxation to advise applicants on tangible property eligible for abatement under the aviation law (A.B. 161 (78th (2015) Session), and will also be used if the company selects "new capital investment" as one of the four optional abatement requirements. The actual new capital investment will replace this estimate, and therefore this estimate is for discussion purposes only, and the company will only be required to achieve the statutory investment level if this option is again selected. Attach this form to the Incentives Application.

| (a)<br>Equipment Name/Description | (b)<br># of Units | (c)<br>Price per Unit | (d)<br>Total Cost     |
|-----------------------------------|-------------------|-----------------------|-----------------------|
| Solar Cells                       | 50                | \$112,000.00          | \$5,600,000.00        |
| Silicon Anode Batteries           | 80                | \$21,000.00           | \$1,680,000.00        |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
|                                   |                   |                       |                       |
| <b>Total</b>                      |                   |                       | <b>\$7,280,000.00</b> |

## Section 2 - Year Two through Ten Capital Equipment Estimated Projections

Directions: These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of capital investment.

| (a)<br>Estimated Dollar Amount of Capital Equipment Purchases |                       |
|---|-----------------------|
| Year-2  | \$7,280,000.00        |
| Year-3  | -                     |
| Year-4  | -                     |
| Year-5  | -                     |
| Year-6  | -                     |
| Year-7  | -                     |
| Year-8  | -                     |
| Year-9  | -                     |
| Year-10   | -                     |
| <b>Total</b>  | <b>\$7,280,000.00</b> |

Is any of this equipment to be acquired under an operating lease? Certain types of leases do not qualify as capital investments pursuant to state regulation.

Yes

No

## 7(C) Aviation Parts List

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

### Section I - Aviation Parts Purchase and Sale Projections

Directions: please provide a 10 year projection of the aviation parts the company anticipates purchasing and selling, [columns (b) and (c)]. If there is a year where the company does not plan to purchase/sell aviation parts, please leave as \$0 amount. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of aviation parts procurement/sales. Attach this form to the Incentives Application.

Note: If the company does not anticipate purchasing or selling aviation parts, please leave this page blank.

| (a)<br>Year  | (b)<br>Projected Dollar Amount of Purchases | (c)<br>Projected Dollar Amount of Sales | (d)<br>Total Amount |
|--------------|---|---|---------------------|
| Year-1       | N/A   | -                                       | -                   |
| Year-2       | -   | -                                       | -                   |
| Year-3       | -   | -                                       | -                   |
| Year-4       | -   | -                                       | -                   |
| Year-5       | -   | -                                       | -                   |
| Year-6       | -   | -                                       | -                   |
| Year-7       | -   | -                                       | -                   |
| Year-8       | -   | -                                       | -                   |
| Year-9       | -   | -                                       | -                   |
| Year-10      | -   | -                                       | -                   |
| <b>Total</b> |   |   | <b>\$0.00</b>       |

# 7(D) Aircraft Procurement List

Company Name: Kraus Hamdani Aerospace Inc.

County: \_\_\_\_\_

## Section 1 - Future Aircraft Procurement List

Directions: please provide a 20 year projection of the aircraft the company anticipates purchasing, complete [columns (a) through (d)]. If there is a year where the company does not plan to purchase an aircraft, please list not applicable. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of aircraft procurement. Attach this form to the Incentives Application.

Note: If the company does not anticipate purchasing aircraft, please leave this page blank.

| (a)<br>Year  | (b)<br>Aircraft Name/Description | (c)<br># of Aircraft | (d)<br>Price per Aircraft | (e)<br>Total Cost |
|--------------|----------------------------------|----------------------|---------------------------|-------------------|
| Year-1       | N/A                              | -                    | -                         | -                 |
| Year-2       | -                                | -                    | -                         | -                 |
| Year-3       | -                                | -                    | -                         | -                 |
| Year-4       | -                                | -                    | -                         | -                 |
| Year-5       | -                                | -                    | -                         | -                 |
| Year-6       | -                                | -                    | -                         | -                 |
| Year-7       | -                                | -                    | -                         | -                 |
| Year-8       | -                                | -                    | -                         | -                 |
| Year-9       | -                                | -                    | -                         | -                 |
| Year-10      | -                                | -                    | -                         | -                 |
| <b>Total</b> |                                  |                      |                           | <b>\$0.00</b>     |

## Section 2 - Existing Aircraft List

Directions: Please provide the current market value of all existing aircraft the company currently owns. If additional space is needed, attach a separate list to the application.

| (a)<br>Aircraft/Description | (b)<br># of Aircraft | (c)<br>Current Market Value | (d)<br>Total Cost |
|-----------------------------|----------------------|-----------------------------|-------------------|
| N/A                         | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |
| -                           | -                    | -                           | -                 |

## 7(E) Employment Schedule

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please complete [columns (a) through (f)] in Section 1 with information on all full time employees that will be hired and employed by the company within 1 year after the effective date of new/expanded operations. Attach this form to the Incentives Application.

Full-time equivalent means a person who is in a permanent position of employment, works and average of 30 hours per week, and qualifies for an employer sponsored health insurance plan. These are estimates. Audits of job creation and wage will be based on actual quarterly filings made to the state.

**Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b):** [https://www.bls.gov/soc/2018/major\\_groups.htm#11-0000](https://www.bls.gov/soc/2018/major_groups.htm#11-0000)

| (a)<br>New Hire Position Title/Description | (b)<br>Position SOC Code | (c)<br>Number of Positions | (d)<br>Average Hourly Wage | (e)<br>Region Average Hourly Wage | (f)<br>Average Weekly Hours | (g)<br>Annual Wage per Position | (h)<br>Total Annual Wages |
|--|--------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|---------------------------------|---------------------------|
| Aerospace Engineers                        | 17-2011                  | 1                          | \$58.00                    | \$47.98                           | 40                          | \$120,640.00                    | \$120,640.00              |
| Mechanical Engineers                       | 17-2141                  | 2                          | \$43.00                    | \$46.33                           | 40                          | \$89,440.00                     | \$178,880.00              |
| Commercial Pilots                          | 53-2012                  | 1                          | \$58.00                    | \$54.98                           | 40                          | \$120,640.00                    | \$120,640.00              |
| Managers, All Other                        | 11-9199                  | 1                          | \$41.00                    | \$50.97                           | 40                          | \$85,280.00                     | \$85,280.00               |
| <b>TOTAL</b>                               |                          | <b>5</b>                   | <b>\$48.60</b>             | <b>\$49.32</b>                    |                             |                                 | <b>\$505,440.00</b>       |

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. **Please enter the estimated new full time employees on a year by year basis (not cumulative)**

| (a)<br>Year | (b)<br>Number of New FTE(s) | (c)<br>Average Hourly Wage | (d)<br>Payroll |
|-------------|-----------------------------|----------------------------|----------------|
| 2-Year      | 5                           | \$50.00                    | \$520,000.00   |
| 3-Year      | 0                           | \$0.00                     | \$0.00         |
| 4-Year      | 0                           | \$0.00                     | \$0.00         |
| 5-Year      | 0                           | \$0.00                     | \$0.00         |
| 6-Year      | 0                           | \$0.00                     | \$0.00         |
| 7-Year      | 0                           | \$0.00                     | \$0.00         |
| 8-Year      | 0                           | \$0.00                     | \$0.00         |
| 9-Year      | 0                           | \$0.00                     | \$0.00         |
| 10-Year     | 0                           | \$0.00                     | \$0.00         |

\* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

**Source: Lighcast™ county wages based on the Bureau of Labor Statistics Occupational Employment and Wage Statistics program and county-level administrative wage data.**

## 7(F) Evaluation of Health Plans Offered by Companies

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

Total Number of Full-Time Employees: 5

Average Hourly Wage per Employee \$48.60  
 Average Annual Wage per Employee (implied) \$101,088.00

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$8,813.64  
 Percentage of Premium Covered by:  
     Company 90%  
     Employee 10%

### HEALTH INSURANCE PLANS:

| Base Health Insurance Plan*:       | Aetna POS Gold HDHP 90/50 HSA       |
|------------------------------------|-------------------------------------|
| Deductible - per employee          | \$ 3,000                            |
| Coinsurance                        | 10% / 50%                           |
| Out-of-Pocket Maximum per employee | \$ 3,750                            |
| Additional Health Insurance Plan*: | Aetna Managed Choice POS Gold 80/50 |
| Deductible - per employee          | \$ 350                              |
| Coinsurance                        | 20% / 50%                           |
| Out-of-Pocket Maximum per employee | \$ 7,800                            |
| Additional Health Insurance Plan*: | Aetna Open Choice PPO Gold 80/50    |
| Deductible - per employee          | \$ 1,000                            |
| Coinsurance                        | 20% / 50%                           |
| Out-of-Pocket Maximum per employee | \$ 7,000                            |

\*Note: *Please list only "In Network" for deductible and out of the pocket amounts .*

### Generalized Criteria for Essential Health Benefits (EHB)

*[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]*

|  |         |     |
|--|---------|-----|
| Covered employee's premium not to exceed 9.5% of annual wage | 1.0%    | MEC |
| Annual Out-of-Pocket Maximum not to exceed \$9,450 (2024)    | \$3,750 | MEC |

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Sara Ragan  
 Name of person authorized for signature

Sara Ragan  
 Signature

Senior Accounting & Operations Manager  
 Title

\_\_\_\_\_  
 Date 12

# 7(G) Company Information

Company Name: Kraus Hamdani Aerospace Inc.

County: Washoe

## Section I - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

| (a)<br>Name    | (b)<br>Title |
|----------------|--------------|
| Stefan Kraus   | CTO          |
| Fatema Hamdani | CEO          |
|                |              |
|                |              |
|                |              |
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|                |              |

## Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

**If Yes, continue below:**

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

| Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship |
|---|
|   |
|   |
|   |

Please include any additional details below:

# SECRETARY OF STATE



## FOREIGN CORPORATION (80) QUALIFICATION

I, FRANCISCO V. AGUILAR, the duly qualified and elected Nevada Secretary of State, do hereby certify that **Kraus Hamdani Aerospace, Inc.** did on **10/12/2023** file in this office its Qualification to do Business in this State and is now on file and of record in the office of the Nevada Secretary of State, and further, that said corporation is at the date of this Certificate duly qualified to exercise therein all the powers recited in its Articles and to transact business in the State of Nevada in accordance with the laws of said State.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 10/12/2023.

FRANCISCO V. AGUILAR  
Secretary of State

Certificate Number: B202310124034885

You may verify this certificate  
online at <http://www.nvsos.gov>

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE

**Kraus Hamdani Aerospace, Inc.**

**Nevada Business Identification # NV20232925568**

**Expiration Date: 10/31/2024**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

**License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.**



Certificate Number: B202310124034886

You may verify this certificate  
online at <http://www.nvsos.gov>

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed the Great Seal of State, at my  
office on 10/12/2023.

FRANCISCO V. AGUILAR  
Secretary of State