**Board Summary**

**Fortress Innovations, Inc.**

11 Greenfield Ave. San Rafael, CA 94091

Dean Pardee, Chief Executive Officer

Insulation Paints and Coatings Manufacturing

---

**APPLICATION HIGHLIGHTS**

- Fortress Innovations, Inc. plans to build a 315,000 square foot permanent manufacturing facility, 6 - 10 demo homes, and additional storage space in Southern Nevada.
- In order to commence production while its manufacturing plant is built, the company will lease 10,000 - 20,000 square feet in a Nevada location.
- The company has experience with over 150 projects.

**PROFILE**

Fortress Innovations, Inc. distributes a suite of insulation paints and coatings for commercial, industrial and domestic/residential use. These coatings are based on proprietary nano-technology and are engineered to reduce energy transfer and prevent energy gain, resulting in a significantly more energy efficient structure. The product is designed for both interior and exterior applications. Independent testing has shown the coatings will significantly reduce energy loss, resulting in a 50 percent plus decrease in heating/cooling costs of any structure. In addition, the coatings act as a flame retardant resulting in zero flame spread in the event of fire, and contain no known carcinogens or volatile organic compounds. The product provides a more cost effective option for builders and meets or exceeds the requirements of all major building codes. *Source: Fortress Innovations, Inc.*

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

The economic development incentives offered by the Nevada State Incentive Program are an integral factor in the company’s strategy. The projected cost savings from the support of these incentives will allow Fortress Innovations, Inc. to hire a greater number of full time employees and support the Governor’s initiative for providing more Nevadan’s with long term work and career opportunities. Additionally, Nevada’s pro-business climate provides Fortress Innovations, Inc. with a sustainable location for ongoing strategic growth. *Source: Fortress Innovations, Inc.*

**REQUIREMENTS**

<table>
<thead>
<tr>
<th></th>
<th>Statutory</th>
<th>Application</th>
<th>Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>50</td>
<td>30</td>
<td>No</td>
<td>-40%</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$21.95</td>
<td>$25.18</td>
<td>Yes</td>
<td>15%</td>
</tr>
<tr>
<td>Equipment Capex (SU &amp; MBT)</td>
<td>$1,000,000</td>
<td>$5,677,079</td>
<td>Yes</td>
<td>468%</td>
</tr>
<tr>
<td>Equipment Capex (PP)</td>
<td>$5,000,000</td>
<td>$5,677,079</td>
<td>Yes</td>
<td>14%</td>
</tr>
</tbody>
</table>

**INCENTIVES**

<table>
<thead>
<tr>
<th></th>
<th>Requested Terms</th>
<th>Estimated $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Abmt.</td>
<td>2% for 2 years</td>
<td>$354,817</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years</td>
<td>$85,599</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years</td>
<td>$108,497</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$548,913</td>
</tr>
</tbody>
</table>

**NEVADA BUSINESS LICENSE**

- [ ] Current
- [ ] Pending
- [ ] Will comply before receiving incentives

**JOB CREATION**

- Contracted: 50
- 24-Month Projection: 30
- 5-Year Projection: 180

**OTHER CAPITAL INVESTMENT**

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>24-Month Projection</th>
<th>5-Year Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,000</td>
<td>$0</td>
<td>$7,855,000</td>
<td></td>
</tr>
</tbody>
</table>

**ECONOMIC IMPACT ESTIMATES**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs Supported</td>
<td>323</td>
<td>78</td>
</tr>
<tr>
<td>Total Payroll Supported</td>
<td>$114,112,725</td>
<td>$3,594,871</td>
</tr>
<tr>
<td>Total Output Estimate</td>
<td>$355,875,024</td>
<td>$3,594,871</td>
</tr>
</tbody>
</table>

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

**NEW TAX REVENUE ESTIMATES**

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$921,113</td>
<td>$3,983,142</td>
<td>$4,904,255</td>
</tr>
<tr>
<td>Sales</td>
<td>$319,109</td>
<td>$2,076,808</td>
<td>$2,395,917</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$213,506</td>
<td>$213,506</td>
</tr>
<tr>
<td>State Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$50,379</td>
<td>$231,924</td>
<td>$282,303</td>
</tr>
<tr>
<td>Sales</td>
<td>$215,657</td>
<td>$707,498</td>
<td>$923,155</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$884,695</td>
<td>$536,933</td>
<td>$1,421,628</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$72,058</td>
<td>$72,058</td>
</tr>
<tr>
<td>Total</td>
<td>$2,390,953</td>
<td>$7,821,869</td>
<td>$10,212,822</td>
</tr>
</tbody>
</table>

**EMPLOYEE BENEFITS**

- Percentage of health insurance covered by company: 65%.
- Health care package cost per employee - $4,046 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases, Bonus.

**NOTES**

- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 70%.
- The company is also considering Utah, Texas, Arizona, Mexico, and several Indian Reservations as potential locations.
April 2, 2018

Mr. Paul Anderson  
Executive Director  
Nevada Governor’s Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Anderson,

Fortress Innovation, Inc. is applying to the State of Nevada for tax abatement incentives to include the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement. We request their application be placed on the agenda for the May 2018 GOED Board Meeting.

Fortress Innovation, Inc. is exploring their options to establish operations in the City of Mesquite by hiring 30 new employees within the first 24 months of operations. These new hires will make an average hourly wage of $25.18 and be provided health benefits. Fortress Innovation, Inc. will make a total capital investment of $12.3 million dollars.

Depending on the outcome of their application, corporate will make a decision on whether this relocation effort will happen in Southern Nevada, Utah, Texas, Arizona, Mexico, or several Indian reservations.

Our team has reviewed Fortress Innovation, Inc. application and found it to comply with Nevada’s statutory requirements for tax abatements. We appreciate your consideration in this matter.

Sincerely,

Perry Ursem  
Vice President
March 3, 2018

Mr. Paul Anderson  
Executive Director  
Nevada Governor’s Office of Economic Development  
555 E. Washington, Suite 5400  
Las Vegas, NV 89101

Dear Mr. Anderson

By way of this letter and the attached application, Fortress Innovations, Inc. is requesting tax incentives to assist with our location efforts in the state of Nevada. Recent strategic planning has the company focused on creating a presence in Nevada. A significant part of this consideration is the economic incentives offered by the state. We are projecting to add 40 full-time employees with an average wage of $25.18 over the next two years of operations.

Prior to 2014, Fortress ran out of several small facilities throughout the US as solely a materials provider for an older panel system. The company was acquired in 2014 by Dean Pardee. Since then, the technology has been technologically updated, patented and rebranded under the name “1WallSystem. Our business model includes predesigned, in-factory manufactured homes, custom and luxury homes, senior housing, workforce housing and small commercial, for domestic and international markets. FI will manufacture the 1WallSystem’s™, pre-designed homes and mini-homes from its new facility in Southern Nevada.

The economic development incentives offered by the State of Nevada have been an integral factor in our strategy. The projected cost savings from the support of these incentives will allow Fortress Innovations, Inc. to hire a greater number of full time employees, supporting the Governor’s initiative for providing more Nevadan’s with long term work and career opportunities. Additionally, Nevada’s pro-business climate provides Fortress Innovations, Inc. with a sustainable location for ongoing strategic growth.

Our experience with representatives from the Las Vegas Global Economic Alliance has been positive and we look forward to your approval in supporting our expansion efforts. We appreciate your time and consideration.

Sincerely,

Dean Pardee  
CEO

Enclosures.
MARCH 3, 2018

Mr. Paul Anderson  
Executive Director, Nevada’s Governor’s Office of Economic Development  
555 E. Washington Ave., Ste. 5400  
Las Vegas, NV 89101

Dear Mr. Anderson:

Per our application for the abatement incentives and the program’s parameters set forth, Fortress Innovations, Inc. will commit to providing 65-75% of the corporate healthcare participation amount. Since FI is still in negotiations with the City of Mesquite for the targeted site location and we are not currently producing revenue, we do not have the specific health plan parameters refined at this juncture.

Sincerely,

[Signature]

Dean Pardee  
CEO  
Fortress Innovations, Inc.
**Company Name:** Fortress Innovations, Inc.

**Date of Application:** March 8, 2018

### Section 1 - Type of Incentives

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

- [ ] Sales & Use Tax Abatement
- [ ] Modified Business Tax Abatement
- [ ] Personal Property Tax Abatement
- [ ] Other: 

### Section 2 - Corporate Information

<table>
<thead>
<tr>
<th>COMPANY NAME (Legal name under which business will be transacted in Nevada)</th>
<th>FEDERAL TAX ID #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortress Innovations, Inc.</td>
<td>47-3913188</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CORPORATE ADDRESS</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>419-B Washington Blvd.</td>
<td>San Francisco</td>
<td>CA</td>
<td>94129</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>419-B Washington Blvd.</td>
<td>San Francisco</td>
<td>CA</td>
<td>94129</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TELEPHONE NUMBER</th>
<th>E-MAIL ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>310-570-0555</td>
<td><a href="mailto:dean@fortressinnov.com">dean@fortressinnov.com</a></td>
</tr>
</tbody>
</table>

### Section 3 - Program Requirements

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

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

### Section 4 - Nevada Facility

**Type of Facility:**
- [ ] Headquarters
- [x] Technology
- [ ] Back Office Operations
- [ ] Research & Development / Intellectual Property
- [ ] Service Provider
- [ ] Distribution / Fulfillment
- [ ] Manufacturing
- [ ] Other:

<table>
<thead>
<tr>
<th>PERCENT OF COMPANY'S NEVADA LOCATION MARKET OUTSIDE OF NEVADA</th>
<th>EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% but product will still be manufactured in state.</td>
<td>Apr-2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAICS CODE / SIC</th>
<th>INDUSTRY TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>332312</td>
<td>Manufacturing</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF COMPANY'S NEVADA OPERATIONS**

Manufacture energy-efficient wall systems and pre-designed factory made energy-efficient homes

**PROPOSED / ACTUAL NEVADA FACILITY ADDRESS**

515 Isaac Newton Dr.

<table>
<thead>
<tr>
<th>CITY / TOWN</th>
<th>COUNTY</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesquite</td>
<td>Clark County</td>
<td>89027</td>
</tr>
</tbody>
</table>

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

Northern Nevada, Utah, Texas, Arizona, Mexico, several Indian reservations
### Section 5 - 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.

5(A)  ☐ Equipment List
5(B)  ☐ Employment Schedule
5(C)  ☐ Evaluation of Health Plan

### Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up - Plans Over the Next 10 Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1. Are you currently/planning on leasing space in Nevada? <strong>yes</strong></td>
<td>Part 1. Are you currently leasing space in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td><strong>If No, skip to Part 2. If Yes, continue below:</strong></td>
</tr>
<tr>
<td>What year(s)? 2018-19</td>
<td>What year(s)?</td>
</tr>
<tr>
<td>How much space (sq. ft.)? 10K-20K</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>Annual lease cost of space: $36,000.00</td>
<td>Annual lease cost at current space:</td>
</tr>
</tbody>
</table>

Do you plan on making building tenant improvements? **yes**

If No, skip to Part 2. If Yes *, continue below:

When to make improvements (month, year)? Apr-2017

Expanding at the current facility or a new facility? **Expanding at the current facility or a new facility?**

If No, skip to Part 3. If Yes *, continue below:

When to make improvements (month, year)?

Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? **no**

If No, skip to Part 3. If Yes *, continue below:

Purchase date, if buying (month, year):

How much space (sq. ft.)?

Do you plan on making building improvements? **no**

If No, skip to Part 3. If Yes *, continue below:

When to make improvements (month, year):

Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? **yes**

If Yes *, continue below:

When to break ground, if building (month, year)? Jun-2018

Estimated completion date, if building (month, year)? Sep-2018

How much space (sq. ft.)? 275,000

Part 2. Are you currently operating at an owner occupied building in Nevada? **no**

If No, skip to Part 3. If Yes *, continue below:

Current assessed value of real property:

Due to expansion, will you be making building improvements? **no**

If No, skip to Part 3. If Yes *, continue below:

When to make improvements (month, year):

Part 3. Do you plan on building or buying a new facility in Nevada? **no**

If Yes *, continue below:

Purchase date, if buying (month, year):

When to break ground, if building (month, year):

Estimated completion date, if building (month, year):

How much space (sq. ft.)?

---

* Please complete Section 7 - Capital Investment for New Operations / Startup.

* Please complete Section 7 - Capital Investment for Expansions below.

FI plans to build a 275,000-sq. ft. permanent manufacturing facility, 6-10 demo homes and additional storage space on a Nevada site location, TBD. Initially, Fortress intends to lease 10-20K sq. ft. in Hawthorne, Nevada or another Nevada location for 6-8 months in order to commence production while we await our manufacturing plant to be built. We plan to hire locally whenever possible and total hiring should be at or exceed 30 employees at 24 months and 100-125 full-time employees after the first 3-4 years. The total site construction and equipment cost will be between $9-11 million once at full capacity and will be completed in 2 to 3 phases during a 2-year period.
### Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Purchase (if buying):</strong></td>
<td><strong>Building Purchase (if buying):</strong></td>
</tr>
<tr>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Building Costs (if building / making improvements):</strong></td>
<td><strong>Building Costs (if building / making improvements):</strong></td>
</tr>
<tr>
<td>$6,400,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Land:</strong></td>
<td><strong>Land:</strong></td>
</tr>
<tr>
<td>$200,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Equipment Cost:</strong></td>
<td><strong>Equipment Cost:</strong></td>
</tr>
<tr>
<td>$5,677,079</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>Total:</strong></td>
</tr>
<tr>
<td>$12,277,079</td>
<td>$0</td>
</tr>
</tbody>
</table>

Is the equipment purchase for replacement of existing equipment?

Current assessed value of personal property in NV:

(Must attach the most recent assessment from the County Assessor's Office.)

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

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: 30</td>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?:</td>
</tr>
<tr>
<td>Average hourly wage of these new employees: $25.18</td>
<td>Average hourly wage of these new employees:</td>
</tr>
</tbody>
</table>

* 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):

- [ ] Overtime
- [ ] Merit increases
- [ ] 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):

We will provide a merit-based incentive program for qualified employees to build their own home.

### 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:

Qualify after (check one):

- [ ] Upon employment
- [ ] Three months after hire date
- [ ] Six months after hire date
- [ ] Other:

<table>
<thead>
<tr>
<th>Health Insurance Costs:</th>
<th>Percentage of health insurance coverage by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of health insurance for company (annual amount per employee): $4,046.00</td>
<td>Company: 65%</td>
</tr>
<tr>
<td>Health Plan annual out-of-pocket maximum (individual): $7,150.00</td>
<td>Employee: 35%</td>
</tr>
</tbody>
</table>

[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.

Dean Pardee
Name of person authorized for signature

CEO
Title

March 8, 2018
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
# Site Selection Factors

**Company Name:** Fortress Innovations, Inc.  
**County:** Clark

---

## Section 1 - Site Selection Ratings

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.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of qualified workforce</td>
<td>3</td>
</tr>
<tr>
<td>Labor costs</td>
<td>4</td>
</tr>
<tr>
<td>Real estate availability</td>
<td>5</td>
</tr>
<tr>
<td>Real estate costs</td>
<td>5</td>
</tr>
<tr>
<td>Utility infrastructure</td>
<td>5</td>
</tr>
<tr>
<td>Utility costs</td>
<td>4</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>4</td>
</tr>
<tr>
<td>Transportation costs</td>
<td>5</td>
</tr>
<tr>
<td>State and local tax structure</td>
<td>5</td>
</tr>
<tr>
<td>State and local incentives</td>
<td>5</td>
</tr>
<tr>
<td>Business permitting &amp; regulatory structure</td>
<td>5</td>
</tr>
<tr>
<td>Access to higher education resources</td>
<td>3</td>
</tr>
</tbody>
</table>

---

**OTHER FACTORS & RATINGS:**
### 5(A) Capital Equipment List

**Company Name:** Fortress Innovations, Inc.  
**County:** Clark

#### Section I - Capital Equipment List

Directions: Please provide an estimated list of the equipment [columns (a) through (c)] which the company intends to purchase over the two-year allowable period. For example, if the effective date of new / expanded operations begins April 1, 2015, the two-year period would be until March 31, 2017. Add an additional page if needed. For guidelines on classifying equipment, visit: [tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals](http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals). Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>(a) Equipment Name/Description</th>
<th>(b) # of Units</th>
<th>(c) Price per Unit</th>
<th>(d) Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Block molding machine</td>
<td>1</td>
<td>$734,256.00</td>
<td></td>
</tr>
<tr>
<td>Pre-loading silo</td>
<td>1</td>
<td>$17,169.00</td>
<td></td>
</tr>
<tr>
<td>Blocks unloading system</td>
<td>1</td>
<td>$34,410.00</td>
<td></td>
</tr>
<tr>
<td>Tele assistance via internet</td>
<td>1</td>
<td>$1,755.00</td>
<td></td>
</tr>
<tr>
<td>Block weighing electronic balance</td>
<td>1</td>
<td>$10,343.00</td>
<td></td>
</tr>
<tr>
<td>Documentation production system</td>
<td>1</td>
<td>$3,322.00</td>
<td></td>
</tr>
<tr>
<td>Ink jet block printer</td>
<td>1</td>
<td>$16,555.00</td>
<td></td>
</tr>
<tr>
<td>Mixing and dosing unit</td>
<td>1</td>
<td>$47,469.00</td>
<td></td>
</tr>
<tr>
<td>Recycling Machine</td>
<td>1</td>
<td>$40,800.00</td>
<td></td>
</tr>
<tr>
<td>Boiler</td>
<td>1</td>
<td>$130,000.00</td>
<td></td>
</tr>
<tr>
<td>Steam Accumulator</td>
<td>1</td>
<td>$80,000.00</td>
<td></td>
</tr>
<tr>
<td>Batch pre-expander</td>
<td>1</td>
<td>$370,000.00</td>
<td></td>
</tr>
<tr>
<td>mixing metering recycling</td>
<td>1</td>
<td>$55,000.00</td>
<td></td>
</tr>
<tr>
<td>Silo</td>
<td>1</td>
<td>$380,000.00</td>
<td></td>
</tr>
<tr>
<td>Water system</td>
<td>1</td>
<td>$100,000.00</td>
<td></td>
</tr>
<tr>
<td>Contouring machines</td>
<td>2</td>
<td>$60,000.00</td>
<td>$120,000.00</td>
</tr>
<tr>
<td>Air system</td>
<td>1</td>
<td>$85,000.00</td>
<td></td>
</tr>
<tr>
<td>Cutting line</td>
<td>1</td>
<td>$120,000.00</td>
<td></td>
</tr>
<tr>
<td>RTO Equipment</td>
<td>1</td>
<td>$350,000.00</td>
<td></td>
</tr>
<tr>
<td>DrVac System</td>
<td>1</td>
<td>$91,000.00</td>
<td></td>
</tr>
<tr>
<td>Solar</td>
<td>1</td>
<td>$550,000.00</td>
<td></td>
</tr>
<tr>
<td>Tesla Batteries</td>
<td>2</td>
<td>$150,000.00</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Security System</td>
<td>1</td>
<td>$150,000.00</td>
<td></td>
</tr>
<tr>
<td>Lighting(Int, and ext.)(equipment)</td>
<td>1</td>
<td>$150,000.00</td>
<td></td>
</tr>
<tr>
<td>Utilities(equipment)</td>
<td>1</td>
<td>$200,000.00</td>
<td></td>
</tr>
<tr>
<td>Steeling Cutting machine</td>
<td>2</td>
<td>$660,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>Strap block machine</td>
<td>2</td>
<td>$110,000.00</td>
<td>$220,000.00</td>
</tr>
</tbody>
</table>

**TOTAL EQUIPMENT COST**

$5,677,079.00

Is any of this equipment* to be acquired under an operating lease?  

☐ Yes  ☐ No

*Certain lease hold equipment does not qualify for tax abatements
### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application.

A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a “primary job” as set forth in NAC 360.474.

<table>
<thead>
<tr>
<th>New Hire Position Title/Description</th>
<th>Number of Positions</th>
<th>Average Hourly Wage</th>
<th>Average Weekly Hours</th>
<th>Annual Wage per Position</th>
<th>Total Annual Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Keeper</td>
<td>1</td>
<td>$15.38</td>
<td>40</td>
<td>$32,000.00</td>
<td>$32,000.00</td>
</tr>
<tr>
<td>CEO</td>
<td>1</td>
<td>$96.15</td>
<td>40</td>
<td>$200,000.00</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Construction Managers</td>
<td>1</td>
<td>$21.63</td>
<td>40</td>
<td>$45,000.00</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Drivers</td>
<td>1</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Exec. Sec.</td>
<td>1</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Floor Manager</td>
<td>1</td>
<td>$24.04</td>
<td>40</td>
<td>$50,000.00</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Floor/Field Workers</td>
<td>5</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$175,000.00</td>
</tr>
<tr>
<td>Forklift Operators</td>
<td>1</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Front Office</td>
<td>1</td>
<td>$15.00</td>
<td>40</td>
<td>$31,200.00</td>
<td>$31,200.00</td>
</tr>
<tr>
<td>GM</td>
<td>1</td>
<td>$40.87</td>
<td>40</td>
<td>$85,000.00</td>
<td>$85,000.00</td>
</tr>
<tr>
<td>Installers</td>
<td>2</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$70,000.00</td>
</tr>
<tr>
<td>Inventory Man.</td>
<td>1</td>
<td>$21.63</td>
<td>40</td>
<td>$45,000.00</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Janitor</td>
<td>2</td>
<td>$13.00</td>
<td>40</td>
<td>$27,040.00</td>
<td>$54,080.00</td>
</tr>
<tr>
<td>Maintenance tech.</td>
<td>1</td>
<td>$24.04</td>
<td>40</td>
<td>$50,000.00</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Marketing</td>
<td>1</td>
<td>$21.63</td>
<td>40</td>
<td>$45,000.00</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Office Manager</td>
<td>1</td>
<td>$17.31</td>
<td>40</td>
<td>$36,000.00</td>
<td>$36,000.00</td>
</tr>
<tr>
<td>Recycler</td>
<td>1</td>
<td>$16.83</td>
<td>40</td>
<td>$35,000.00</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Sales Man.</td>
<td>1</td>
<td>$26.44</td>
<td>40</td>
<td>$55,000.00</td>
<td>$55,000.00</td>
</tr>
<tr>
<td>Sales Rep.</td>
<td>2</td>
<td>$35.00</td>
<td>40</td>
<td>$72,800.00</td>
<td>$145,600.00</td>
</tr>
<tr>
<td>Security</td>
<td>2</td>
<td>$15.00</td>
<td>40</td>
<td>$31,200.00</td>
<td>$62,400.00</td>
</tr>
<tr>
<td>VP</td>
<td>2</td>
<td>$60.10</td>
<td>40</td>
<td>$125,000.00</td>
<td>$250,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30</strong></td>
<td><strong>$25.18</strong></td>
<td></td>
<td><strong>$1,539,280.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete [columns (b) through (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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of FTE(s) Projected</th>
<th>Average Hourly Wage</th>
<th>Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Year</td>
<td>80</td>
<td>$27.00</td>
<td>$4,492,800.00</td>
</tr>
<tr>
<td>4-Year</td>
<td>120</td>
<td>$27.00</td>
<td>$6,739,200.00</td>
</tr>
<tr>
<td>5-Year</td>
<td>180</td>
<td>$27.00</td>
<td>$10,108,800.00</td>
</tr>
</tbody>
</table>

---

**Company Name:** Fortress Innovations, Inc.  
**County:** Clark
5(C) Evaluation of Health Plans Offered by Companies

Company Name: Fortress Innovations, Inc.  
County: Clark County

Total Number of Full-Time Employees: 30

Average Hourly Wage per Employee: $25.18  
Average Annual Wage per Employee (implied): $52,374.40

Annual Cost of Health Insurance per Employee: $4,046.00

Percentage of Cost Covered by:

- Company: 65%
- Employee: 35%

Health Plan Annual Out-of-Pocket Maximum: $7,150

**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 | 4.2% | MMQ |
| Annual Out-of-Pocket Maximum not to exceed $7,150 (2017) | $7,150 | MMQ |

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 sufficient plan information for GOED.  

Dean Pardee  
Name of person authorized for signature

CEO  
Title

Signature  
Date: 3/8/2018
Fortress Innovations—Presentation

Introduction- Who is Fortress Innovations, Inc.
The Industry
Solution/Products
➢ Value and Benefits
➢ Competitive Advantage
Market Overview
Market Strategy
Management
Phases
Appendix
Fortress Innovations—The Company

- Manufacturer the patent-pending 1WallSystem™ (1WALLS™)
- A disruptive and innovative real estate development company
- Owned and operated by Dean Pardee
- FI’s management team has 220 years in the construction industry
- FI will help meet the world’s growing demand for housing in all building categories
- 100% American made (HQ in Nevada)
- Veteran 1st hiring company
Fortress Innovations—The Company

The 3 revenue streams of Fortress innovations are:

**MANUFACTURING:** Proprietary engineering techniques in the manufacturing, factory assembly, and construction of the patent-pending 1WallSystem™

**REAL ESTATE DEVELOPMENT:** Patented proprietary technology for real estate development with the construction of residential and commercial buildings

**WHOLESALE:** Offers complimentary technologies and advanced energy-efficient products that make a difference to home builders and home owners alike
Fortress Innovations—Manufacturing

- The 1WallSystem™ panels
- Steel trusses and studs
- “Pre-designed” homes
- Mini-homes
- Build panelized sections for pre-designed and custom homes
- Build security walls
Fortress Innovations—RE Developer

All of the verticals below will be utilizing the 1WallSystem

➢ Luxury Homes
➢ Middle Income Homes
➢ Retirement Communities
➢ Mini Homes
➢ Pre-Designed Homes
➢ Multi-Family Homes
➢ Military Housing
➢ Perimeter Walls
➢ Factories (energy-efficient & fire resistant)
➢ Disaster relief and 3rd world housing
Fortress Innovations—Wholesaler

Will use and offer to contractors the following:

➢ Thermal Coatings
➢ High-efficient E3-glass and windows
➢ Grey-water and rain-water capturing systems
➢ SMART HOME technologies
➢ Energy Star appliances
The Construction Industry

1. Still relying on 200+ years old materials and construction techniques
2. Using low quality, often toxic materials (fiberglass, plastics, press board, etc.) to produce poorly insulated structures with limited life spans
3. Developers making homes that cost customers more in heating/cooling bills
4. Rising prices of conventional construction materials contribute to higher home prices (costs have risen 200% since 1970)
5. For many home buyers, quality housing has become cost-prohibitive
6. There are a few “look-a-likes” products to Fortress Innovation’s 1WallS™; but nothing comparable in performance and quality
The Construction Industry

World demand has made wood a commodity and vulnerable to market fluctuations

- Wood, 90%
- Steel, 4.0%
- Concrete, 5.0%
- Others, 1.0%
- SIPS, 0.0001%
1WallSystem™ is comprised of approved IBC (International Building Code) materials:

**Composite-Expanded Polystyrene (EPS)**
- Low thermal conductivity
- No (CFC’s or HCFC’s): zero impact on the ozone
- 100% recyclable, Non-biodegradable
- Non-toxic with no formaldehyde (EPA classified as “benign”)

**Light-gauge galvanized steel**
- Less maintenance = low long-term costs
- Long life-expectancy
- Tough galvanized coating = outstanding resistance with long coating life
Fortress Innovations—Industry Disrupter

Key Advantages of the 1WallS™

➢ SAVINGS/AFFORDABILITY (lower construction costs up to 40%)
➢ ENERGY EFFICIENT (reduces energy costs by 50%)
➢ TIME OF CONSTRUCTION (reduce build times by 40%+)
➢ HIGH QUALITY (seamless insulation, 26x stronger than stick framing)
➢ ATTRACTIVE DESIGN (see appendix)
➢ LOWER RISK FACTORS (labor shortages, reduction in human errors)
1WallSystem™ Inherent benefits

➢ 26x stronger than normal construction structures
➢ Build 40% faster
➢ Build costs are 10-40% less
➢ R30-R60+ energy efficiency ratings
➢ Zero fire propagation (A++ fire rating)
➢ Rated to a “Category” 4 hurricane
➢ No issue with condensation
➢ No food or breeding source for bugs/rodents
➢ Electrical lines protected from the elements
➢ The panel systems have great durability in extreme climates (hot and cold)

➢ Internal walls are thermally protected and seamlessly insulated
➢ Non-biodegradable = no structural degradation over time (no warping, sagging or rusting
➢ Lower long term maintenance costs
➢ Consistent factory quality control (all corners and walls align perfectly)
➢ Dissipates lightening strikes
➢ Lowers acoustic levels in structure by 19+ decibels
➢ ROI increases in many markets. Up to 12%
➢ Reduce insurance premiums
➢ Qualify for most utility and building rebates
Fortress Innovations—
Industry Disrupter

➢ Patent-pending and trademarked - strategic advantage
➢ Manufacturing training manual copyright protected (methodologies, images and text)
➢ Complete quality controls maintained (FI’s in-factory and vertical integration capabilities)
➢ International building code (IBC) approved (most “green” materials re not)
➢ Replaces 95% of wood
➢ No design limitations
➢ Best structural and thermal envelope in every performance matrix
➢ “Stand-alone” structural framing product
➢ Seamless insulation (Becoming a building requirement around the world)
➢ Far surpasses current building codes in structural and thermal performances
Fortress Innovations—Disrupter for Contractors

No design limitations while maintaining all thermal and acoustic performance ratings

Can utilize crews more effectively—less construction time, fewer costly laborers, less delays

Cost effective:
- Reduce construction costs
- Reduce skilled labor costs
- Reduce waste disposal costs
- Reduce financing costs and market risk factors

Pre-cut electrical carriers (simplifies electrical installations and repairs)

Pre-installed plumbing simplifies process and reduces costs, mistakes and time

Pre-molded central vacuum line cavities that are self-aligned from panel to panel

Does not require structural engineering stamps for every modification (thus saves time and money)

IRS tax credits and Title 24 qualified (where applicable)
Fortress Innovations—
Disrupter for Home Owners

- Built 26x stronger than stick framing
- Cut build times by 40+% 
- Reduce long-term maintenance costs
- Lower home acoustic levels by 19+ decibels
- Increase the seller’s ROI in most markets
- Increases energy efficiency as structure ages
- Can reduce insurance premiums
- Withstands most of Mother Nature’s force
- Qualify for most tax rebates & incentives
- Significantly lowers in-home allergens
Fortress Innovations—Target Market Strategy

Nevada (Las Vegas, Reno)
Texas (Austin, Houston)
Los Angeles and Inland Empire
Nashville, TN
Utah (SLC, Provo, St. George)
Carolinas (coastal regions and Raleigh)
Florida (coastal cities, Panhandle)
California (Napa valley, San Jose, Central California)
Minneapolis (Tri-cities)
Fortress Innovations—Marketing

Marketing Collateral
- FI’s will monetize its own real estate projects
- Estancia and Cambria and are key marketing campaigns
- Develop robust website: multi-media materials, video tutorials, time-lapse videos

Partner and Support:
- Work with municipalities and govt. agencies (affordable and low-income housing, veteran housing)

Civic Outreach
- Animal rescue and environmental non-profits
- Maximize public relations by hosting civic events
Marketing Strategy (continued)

Exposure
➢ TV show and documentary around philanthropic causes; FI backdrop for story-lines

Cross-marketing with media
➢ Eco-groups, News orgs and Building professionals

Develop national Real estate network with agents and building professionals
➢ Off-set marketing cost and find new development opportunities.
Contact Information

Dean Pardee
www.fortressinnov.com
310-570-0555
The 1WallSystem™ — THE BASICS
Factory HQ- Mesquite, NV

Phase 1: 75,000 sq. ft.

Phase 2: 275,000 sq. ft. (200K added)
Luxury Homes
Pre-designed, Factory Homes
Quality and Fairly Priced Homes
Raising the Bar in Design and Quality
Workforce Housing
Senior Housing
Middle-Income Housing
Multi-Family
Multi-family workforce housing
Mini-Homes