

Board Summary

Fortress Innovations, Inc.
11 Greenfield Ave. San Rafael, CA 94091
Dean Pardee, Chief Executive Officer
Insulation Paints and Coatings Manufacturing

Date: May 17, 2018
Main Location: Carson City

Business Type: New County: Clark County Development Authority Representative: Perry Ursem - LVGEA

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	Statutory	Application	Sufficient	% Over / Under
Job Creation	50	30	No	-40%
Average Wage	\$21.95	\$25.18	Yes	15%
Equipment Capex (SU & MBT)	\$1,000,000	\$5,677,079	Yes	468%
Equipment Capex (PP)	\$5,000,000	\$5,677,079	Yes	14%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	2% for 2 years	\$354,817
Modified Business Tax Abmt.	50% for 4 years	\$85,599
Personal Property Tax Abmt.	50% for 10 years	\$108,497
Total		\$548,913

NEVADA BUSINESS LICENSE

Current Pending Will comply before receiving incentives

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	50	30	180

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$200,000	\$0	\$7,855,000

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total	Construction
Total Jobs Supported	323	78
Total Payroll Supported	\$114,112,725	\$3,594,871
Total Output Estimate	\$355,875,024	\$3,594,871

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

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,

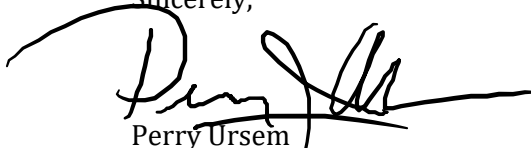
Fortress Innovation, Inc. is applying to the State of Nevada for tax abatement incentives to include the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement. We request their application be placed on the agenda for the May 2018 GOED Board Meeting.

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

702.791.0000
800.634.6858

6720 VIA AUSTI PARKWAY, SUITE 330
LAS VEGAS, NEVADA 89119

LVGEA.ORG

Fortress Innovations, Inc.
419-B Washington Blvd.
San Francisco, CA 94129
Tel 310-570-0555
dean@fortressinnov.com
www.fortressinnov.com



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,

A handwritten signature in black ink, appearing to read 'Dean Pardee', written over a white background.

Dean Pardee
CEO
Enclosures.

Fortress Innovations, Inc.
419-B Washington Blvd., San Francisco, CA 94129
Tel 310-570-0555
dean@fortressinnov.com
www.fortressinnov.com



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,

A handwritten signature in black ink, appearing to read "D. Pardee", written over a light blue horizontal line.

Dean Pardee

CEO

Fortress Innovations, Inc.



ECONOMIC DEVELOPMENT

Incentive Application

Company is an / a: (check one)

New location in Nevada

Expansion of a Nevada company

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
- Sales & Use Tax Deferral
- Modified Business Tax Abatement
- Recycling Real Property Tax Abatement
- Personal Property Tax Abatement
- Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) Fortress Innovations, Inc.		FEDERAL TAX ID # 47-3913188	
CORPORATE ADDRESS 419-B Washington Blvd.	CITY / TOWN San Francisco	STATE / PROVINCE CA	ZIP 94129
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) 419-B Washington Blvd.	CITY / TOWN San Francisco	STATE / PROVINCE CA	ZIP 94129
TELEPHONE NUMBER 310-570-0555	www.FortressInnov.com		
COMPANY CONTACT NAME Dean Pardee	COMPANY CONTACT TITLE CEO		
E-MAIL ADDRESS dean@fortressinnov.com	PREFERRED PHONE NUMBER 310-570-0555		

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 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

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

PERCENT OF COMPANY'S NEVADA LOCATION MARKET OUTSIDE OF NEVADA 100% but product will still be manufactured in state.	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Apr-2018		
NAICS CODE / SIC 332312	INDUSTRY TYPE Manufacturing		
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.	CITY / TOWN Mesquite	COUNTY Clark County	ZIP 89027

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.)

New Operations / Start Up - Plans Over the Next <u>Ten Years</u>	Expansions - Plans Over the Next <u>10 Years</u>
<p>Part 1. Are you currently/planning on leasing space in Nevada? <u>yes</u></p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? <u>2018-19</u></p> <p>How much space (sq. ft.)? <u>10K-20K</u></p> <p>Annual lease cost of space: <u>\$36,000.00</u></p> <p>Do you plan on making building tenant improvements? <u>yes</u></p> <p>If No, skip to Part 2. If Yes *, continue below:</p> <p>When to make improvements (month, year)? <u>Apr-2017</u></p> <hr/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>no</u></p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>yes</u></p> <p>If Yes *, continue below:</p> <p>When to break ground, if building (month, year)? <u>Jun-2018</u></p> <p>Estimated completion date, if building (month, year): <u>Sep-2018</u></p> <p>How much space (sq. ft.)? <u>275,000</u></p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>How much space (sq. ft.)? _____</p> <p>Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>

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

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

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

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.)

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): <u>\$0</u>	Building Purchase (if buying): <u>\$0</u>
Building Costs (if building / making improvements): <u>\$6,400,000</u>	Building Costs (if building / making improvements): <u>\$0</u>
Land: <u>\$200,000</u>	Land: <u>\$0</u>
Equipment Cost: <u>\$5,677,079</u>	Equipment Cost: <u>\$0</u>
Total: <u>\$12,277,079</u>	Total: <u>\$0</u>
	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.)

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u>30</u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____
Average hourly wage of these <u>new</u> employees: <u>\$25.18</u>	Average hourly wage of these <u>new</u> employees: _____
	How many FTE employees prior to expansion?: _____
	Average hourly wage of these <u>existing</u> employees: _____
	Total number of employees after expansion: _____

* 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: _____

Qualified after (check one):

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

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

[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 I - 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.

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

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. Attach this form to the Incentives Application.

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

5(B) Employment Schedule

Company Name: Fortress Innovations, Inc.

County: Clark

Section I - 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.

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

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.

(a) Year	(b) Number of FTE(s) Projected	(c) Average Hourly Wage	(d) Payroll
3-Year	80	\$27.00	\$4,492,800.00
4-Year	120	\$27.00	\$6,739,200.00
5-Year	180	\$27.00	\$10,108,800.00

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%	<input type="text" value="MMQ"/>
Annual Out-of-Pocket Maximum not to exceed \$7,150 (2017)	\$7,150	<input type="text" value="MMQ"/>

Minimum essential health benefits covered (Company offers PPO):

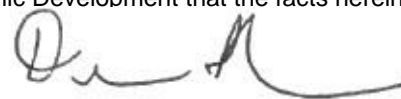
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) 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 GOEI

Dean Pardee

Name of person authorized for signature



Signature

CEO

Title

3/8/2018

Date



Fortress Innovations, Inc.

BUILDING BETTER

FORTRESSINNOV.COM

LOS ANGELES, CA

310-570-0555



American Proud

Fortress Innovation— 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:

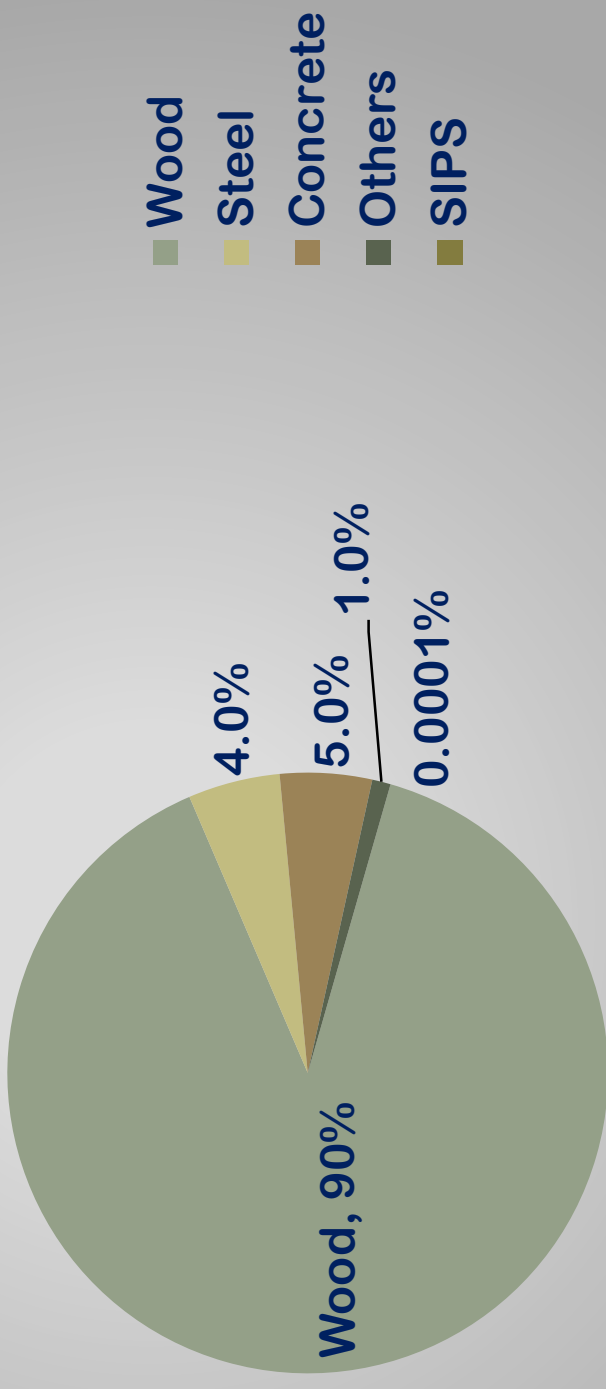
- Thermal Coatings
- High-efficient E3-glass and windows
- Grey-water and rain-water capturing systems
- SMART HOME technologies
- Energy Star appliances

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



Fortress Innovations— Industry Disrupter



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)

Fortress Innovations— Industry Disrupter



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 lightning 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.



Fortress Innovations, Inc.

BUILDING BETTER

APPENDIX

Contact Information



Dean Pardee

www.fortressinnov.com

310-570-0555

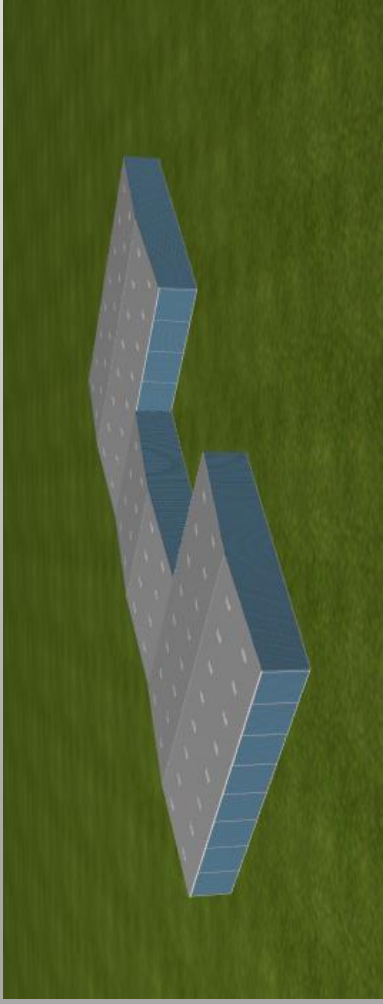


The 1WallSystem™ —THE BASICS

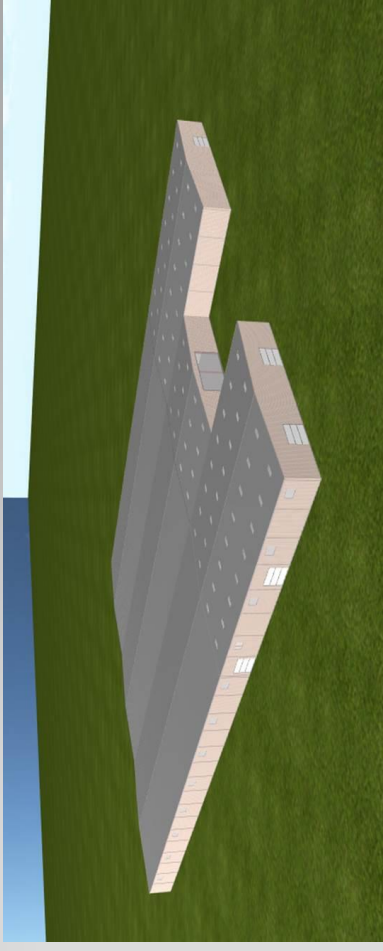


Factory HQ- Mesquite, NV

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



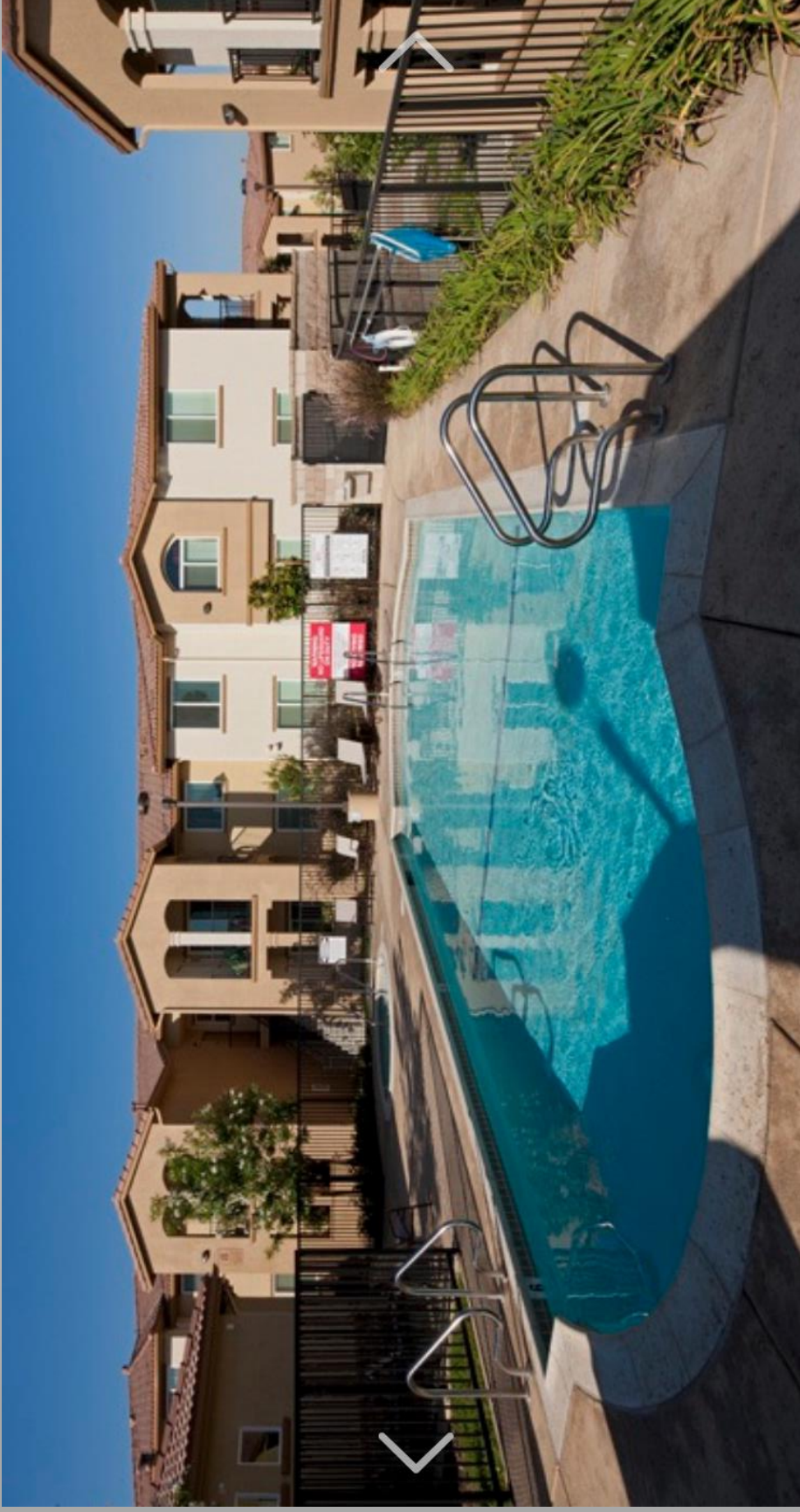
Raising the Bar in Design and Quality



Workforce Housing



Senior Housing



Middle-Income Housing



Multi-Family



Multi-family workforce housing



Mini-Homes

