APPLICATION HIGHLIGHTS
- OnTrac is considering expanding its current 161,400 square foot facility located in Sparks, NV.
- If the expansion occurs, the company will seek to partner with additional contractors. This will directly impact local recruitment and create additional jobs in the Reno area.
- OnTrac was named the Newgistics Courier of the Year and received the 2013 SDCE Green Supply Chain award.

PROFILE
OnTrac is a logistics company specializing in contracting small-parcel shipping services in the Western United States. The company was founded in 1991 and expanded into Nevada in 1996. The company offers next day and 2-day delivery, scheduled pickup, on-call pickup, second pickup, second-party pickup, third-party pickup, and palletized freight services. OnTrac currently partners with many distribution clients in the region to deliver packages within an eight-state footprint from its existing Sparks facility. Based on the overall growth in e-Commerce and distribution in the Reno-Sparks area, the company is considering an expansion in order to service increased demand. The company’s current full service area serves over 65 million consumers, or 20% of the United States population. OnTrac operates as a subsidiary of Express Messenger Systems, Inc. Source: Express Messenger Systems Inc. dba OnTrac

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY’S DECISION TO RELOCATE/EXPAND
If granted, the incentives sought will serve to enhance the option of expanding in Nevada. If the company expands its Nevada operations, this facility will act as the hub for the Northwest and Central service regions. Additionally, OnTrac looks forward to continuing its long-standing business relationship with the State of Nevada. Source: Express Messenger Systems Inc. dba OnTrac

REQUIREMENTS
<table>
<thead>
<tr>
<th>Requirement</th>
<th>Statutory</th>
<th>Application</th>
<th>Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>25</td>
<td>15</td>
<td>No</td>
<td>-40%</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$21.95</td>
<td>$22.87</td>
<td>Yes</td>
<td>4%</td>
</tr>
<tr>
<td>Equipment Capex (SU &amp; MBT)</td>
<td>$224,480</td>
<td>$20,000,000</td>
<td>Yes</td>
<td>8809%</td>
</tr>
<tr>
<td>Equipment Capex (PP)</td>
<td>$224,480</td>
<td>$20,000,000</td>
<td>Yes</td>
<td>8809%</td>
</tr>
</tbody>
</table>

INCENTIVES
<table>
<thead>
<tr>
<th>Incentive Description</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>$1,253,000</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years</td>
<td>$18,102</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years</td>
<td>$430,237</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$1,701,339</td>
</tr>
</tbody>
</table>

JOB CREATION
<table>
<thead>
<tr>
<th>Contracted</th>
<th>24-Month Projection</th>
<th>5-Year Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>15</td>
<td>30</td>
</tr>
</tbody>
</table>

OTHER CAPITAL INVESTMENT
<table>
<thead>
<tr>
<th>Land</th>
<th>Building Purchase</th>
<th>BTS / Building Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,855,358</td>
<td>$0</td>
<td>$17,932,344</td>
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</tbody>
</table>

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)
<table>
<thead>
<tr>
<th>Total Jobs Supported</th>
<th>Total Payroll Supported</th>
<th>Total Output Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>$19,054,577</td>
<td>$50,734,997</td>
</tr>
<tr>
<td>184</td>
<td>$8,003,208</td>
<td>$28,149,656</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 (10-Year Cumulative)
<table>
<thead>
<tr>
<th>Local Taxes</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$3,537,619</td>
<td>$654,181</td>
<td>$4,191,800</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,983,250</td>
<td>$299,476</td>
<td>$2,282,726</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$16,359</td>
<td>$16,359</td>
</tr>
<tr>
<td>Total</td>
<td>$5,420,179</td>
<td>$1,033,657</td>
<td>$6,453,836</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Taxes</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$172,320</td>
<td>$39,376</td>
<td>$211,696</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,033,120</td>
<td>$118,139</td>
<td>$1,151,259</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$118,165</td>
<td>$90,836</td>
<td>$209,001</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$5,453</td>
<td>$5,453</td>
</tr>
<tr>
<td>Total</td>
<td>$6,844,474</td>
<td>$1,223,820</td>
<td>$8,068,294</td>
</tr>
</tbody>
</table>

EMPLOYEE BENEFITS
- Percentage of health insurance covered by company: 85%.
- Health care package cost per employee: $4,869 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases, Retirement Plan /Profit Sharing / 401(k), Bonus.

NOTES
- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 84%.
- The company is also considering California as a potential location.
October 3, 2017

Mr. Steve Hill  
Executive Director  
Nevada Governor’s Office of Economic Development  
555 E. Washing Ave., Suite 5400  
Las Vegas, NV  89101  

Dear Mr. Hill,  

Express Messenger Systems Inc. which does business in our area as OnTrac, is a logistics company specializing in contracting small-parcel shipping services in the Western United States. They currently partner with many distribution clients in the region to deliver packages within an eight-state footprint from their existing Sparks facility. Based on the overall growth in E-Commerce and distribution in the Reno-Sparks area, they are looking into an expansion in order to service increased demand.  

They are requesting a Sales and Use Tax Abatement, Modified Business Tax Abatement and Personal Property Tax abatement and qualify on 2 out of 3 of the criteria. They have 40 locations nationwide, and the options being considered for this expansion are California and Nevada. Incentives and transportation infrastructure are key criteria in their decision process.  

Should they proceed with their expansion, OnTrac anticipates purchasing $20M of new equipment, and are interested in potentially building a new facility in the greater Reno-Sparks area. Anticipated land and building costs are projected to exceed $20M bringing their total investment to just over $40M in the region.  

OnTrac currently employs 110 full time workers at its existing facility, and plans to add 15 new employees at an average wage of $22.87 with this expansion. These positions will include additional Managers, Maintenance Technicians, and Industrial Engineers. Given the current growth of the Reno-Sparks area as a logistics hub, they are projecting continued growth and success in the future, and have estimated that they may have as many as 140 employees within 5 years.  

This application has the full support of EDAWN. OnTrac is an award winning delivery company, has been an active supporter of economic development, and are a critical player in the supply chain system in Northern Nevada. Their expansion will have a positive impact on package delivery within and outside our state.  

Respectfully,  

[Signature]  
Mike Kazmienski  
President and CEO  
EDAWN
MR STEVE HILL  
EXECUTIVE DIRECTOR  
NEVADA GOVERNOR’S OFFICE OF ECONOMIC DEVELOPMENT  
555 E WASHINGTON AVE STE 5400  
LAS VEGAS NV 89101-1080

September 20, 2017

Dear Mr. Hill,

OnTrac is a logistics company specializing in contracting small-parcel shipping services in the Western United States. OnTrac was founded in 1991 and expanded into Nevada in 1996. The lease for the current Nevada facility was signed in September of 2010 at 45 Vista Blvd., Suite #101, Sparks, Nevada 89434 and services customers throughout an eight-state footprint (California, Arizona, Nevada, Oregon, Washington, Utah, Colorado and Idaho.) With the influx of the e-commerce market, OnTrac has seen a direct impact on the amount of packages that are coming through each facility. Due to this, we are needing to expand our current 161,400 square foot facility located in Sparks to a larger location with additional dock doors and we are hoping to open the facility in late summer of 2019. In order to service current growth trends, the new facility needs to be a minimum of 165,000 square feet, expandable to 250,000 square feet on a minimum of a 30 acre site. This will allow us to receive and sort more packages per hour than our current facility’s capacity. We expect to be able to sort packages at the current facility for another 24 to 30 months.

In addition, this would require OnTrac to expand its labor force by an additional 15 full-time employees, which will increase our workforce to 125 full-time employees. Hiring will take place in Nevada and we envision most hires will be from within the State. The average hourly rate for the new hires is projected to be approximately $23 per hour. Although not employed by OnTrac, there are 8 contractors and 85 service providers currently working with OnTrac to deliver packages from the current facility in Sparks. With the expansion, we will be looking to contract with additional contractors directly impacting the amount of service providers that the contractors will need to hire, in turn creating more available jobs in the Reno metro area.

If we do expand our operations in Nevada, we anticipate making an investment of approximately $38 million dollars over the course of the next couple years to purchase the equipment that will allow for the OnTrac facility to be an automated and expandable system in terms of the material handling. With this facility, we are acting as the hub for the Northwest and Central service regions.

Together as a team, OnTrac is delivering hope to the communities in which we live and grow. Helping others is an important company-wide initiative that brings OnTrac together as Team Delivering Hope. Some of the ways that we deliver hope to others is by corporate donations, community outreach, and employee volunteerism. We enjoy partnering with multiple
organizations that make a difference for our community, our employees, and our customers. In addition to volunteerism and fundraising, OnTrac continues to seek out new ways to reduce our footprint and to be an example within our industry. Our continuing efforts include participation in the SmartWay Transportation Partnership, which is a voluntary program developed by the U.S. Environmental Protection Agency (EPA) that promotes waste reduction through recycling, pollution prevention, online invoicing, online paystubs, and energy conservation through facility design and operational procedures.

OnTrac hereby requests that the sales and use tax abatement, the modified business tax abatement and the personal property tax abatement incentives be granted by the State. These incentives, if granted, will certainly make our expansion option much more attractive in Nevada.

OnTrac looks forward to continuing its long-standing business relationship with the State of Nevada. I can be reached at 602-333-4480 with any questions. Thank you for your time and consideration.

Best Regards,

OnTrac

Thomas B. Fischer
Chief Financial Officer
October 5, 2017

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

RE: APPLICATION FOR INCENTIVES – REQUEST FOR  
CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Director Hill:

On October 5, 2017 Express Messenger Systems, Inc dba OnTrac submitted an application to you as the Executive Director of the State of Nevada Governor’s Office of Economic Development (“GOED”) requesting approval of economic incentives for the expansion operation in Washoe, Nevada. The purpose of this letter is to request that any and all records and other documents in GOED’s possession concerning initial contact with, research and planning for OnTrac, including but not limited to certain information in that application, and if amended, all be kept confidential pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised that OnTrac specifically deems the following information proprietary and confidential:

1. The detailed schedule of Employment List
2. The detailed schedule of Capital Equipment List

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,

Tom Fischer  
CFO  
Express Messenger Systems, Inc dba OnTrac
REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant Express Messenger Systems, Inc. Dba OnTrac the Executive Director of the Office has determined the:

(i) The detailed schedule of Capital Equipment List, 5(A)
(ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.

______________________________
Steven D. Hill
Executive Director

10/16/2017
Date
**ECONOMIC DEVELOPMENT**

**Incentive Application**

**Company Name:** EXPRESS MESSENGER SYSTEMS INC DBA ONTRAC  
**Date of Application:** October 3, 2017

---

### 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
- [ ] Sales & Use Tax Deferral
- [ ] Recycling Real Property Tax Abatement
- [ ] Other:

---

### Section 2 - Corporate Information

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>FEDERAL TAX ID #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express Messenger Systems Inc DBA OnTrac</td>
<td>98-0066674</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>2501 S Price Rd, Suite 201</td>
<td>Chandler</td>
<td>AZ</td>
<td>85286</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAILING ADDRESS TO RECEIVE DOCUMENTS</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2501 S Price Rd, Suite 201</td>
<td>Chandler</td>
<td>AZ</td>
<td>85286</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TELEPHONE NUMBER</th>
<th>WEBSITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>602-333-4480</td>
<td><a href="https://www.ontrac.com/">https://www.ontrac.com/</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY CONTACT NAME</th>
<th>COMPANY CONTACT TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Fischer</td>
<td>Chief Financial Officer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-MAIL ADDRESS</th>
<th>PREFERRED PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:TFISCHER@Ontrac.com">TFISCHER@Ontrac.com</a></td>
<td>602-333-4480</td>
</tr>
</tbody>
</table>

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  

Yes [ ] No [ ]

---

### 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 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 in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase 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. 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.

---

### Section 4 - Nevada Facility

**Type of Facility:**

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

<table>
<thead>
<tr>
<th>PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA</th>
<th>EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
<td>Aug-2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAICS CODE / SIC</th>
<th>INDUSTRY TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4731 - Arrangement of Transportation of Freight and Cargo</td>
<td>Parcel Delivery</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF COMPANY'S NEVADA OPERATIONS**

Express Messenger System's Reno facility serves as a regional distribution hub supporting its network of small package distribution facilities throughout the western United States and services the local small package delivery network for Reno and surrounding markets.

**PROPOSED / ACTUAL NEVADA FACILITY ADDRESS**

- [ ] TBD

**CITY / TOWN**

- [ ] Reno

**COUNTY**

- [ ] Washoe County

**ZIP**

---

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

California
### 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 Ten 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?</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>If No, skip to Part 2. If Yes, continue below:</td>
</tr>
<tr>
<td>What year(s)?</td>
<td>How much space (sq. ft)?</td>
</tr>
<tr>
<td>How much space (sq. ft)?</td>
<td>Annual lease cost at current space:</td>
</tr>
<tr>
<td>Annual lease cost of space:</td>
<td>Due to expansion, will you lease additional space?</td>
</tr>
</tbody>
</table>

| Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? | If No, skip to Part 3. If Yes *, continue below: |
| Purchase date, if buying (month, year): | When to make improvements (month, year)? |
| How much space (sq. ft)? | |

| Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? | If Yes *, continue below: |
| When to break ground, if building (month, year): | Estimated completion date, if building (month, year): |
| How much space (sq. ft)? | |

| Part 2. Are you currently operating at an owner occupied building in Nevada? | If No, skip to Part 3. If Yes, continue below: |
| How much space (sq. ft)? | |

| Part 3. Do you plan on building or buying a new facility in Nevada? | 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.

---

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

OnTrac is contracting for a build-to-suit distribution hub that will be designed to OnTrac's required specifications. The new construction will create several new jobs and is anticipated to cost more than $18,000,000.
### 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>Building Purchase (if buying):</td>
<td>$0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements):</td>
<td>$0</td>
</tr>
<tr>
<td>Land:</td>
<td>$0</td>
</tr>
<tr>
<td>Equipment Cost:</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

**Is the equipment purchase for replacement of existing equipment?**

Yes

**Current assessed value of personal property in NV:**

$1,122,404

(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 fourth quarter of new operations?:</td>
<td></td>
</tr>
<tr>
<td>Average hourly wage of these new employees:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></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.

### 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: Basic Life Insurance $10,000

**Qualified after (check one):**

☐ Upon employment ☐ Three months after hire date ☐ Six months after hire date ☐ Other: first of month after 60 days.,

**Health Insurance Costs:**

| Cost of health insurance for company (annual amount per employee): | $4,869.00 | Company: | 85% |
| Cost of health insurance for employee (annual amount per employee): | $4,500.00 | Employee: | 15% |

We have three plans, annual employee amount is avg of 3 plans, out of pocket max is $4,500 for 2 plans

[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 for 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.

Tom Fischer
Name of person authorized for signature

CFO
Title

October 3, 2017
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:** EXPRESS MESSENGER SYSTEMS INC DBA ONTRAC  
**County:** Washoe County

### 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>1</td>
</tr>
<tr>
<td>Utility costs</td>
<td>2</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>5</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>2</td>
</tr>
<tr>
<td>Access to higher education resources</td>
<td>2</td>
</tr>
</tbody>
</table>

**OTHER FACTORS & RATINGS:**
Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Express Messenger Systems, Inc. Dba OnTrac, and is not a public record.
Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Express Messenger Systems, Inc. Dba OnTrac, and is not a public record.
5(C) Evaluation of Health Plans Offered by Companies

Company Name: EXPRESS MESSENGER SYSTEMS INC DBA ONTRAC  County: Washoe County

Total Number of Full-Time Employees: 15
Average Hourly Wage per Employee $22.87
Average Annual Wage per Employee (implied) $47,569.60
Annual Cost of Health Insurance per Employee $4,869.00
Percentage of Cost Covered by:
Company 85%
Employee 15%
Health Plan Annual Out-of-Pocket Maximum $4,500

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 1.8%  MMQ

Annual Out-of-Pocket Maximum not to exceed $6,600 (2015) $4,500  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 to independently confirm the same.

Tom Fischer
Name of person authorized for signature

CFO
Title

Signature  10/3/2017

Date
## Business Entity Information

<table>
<thead>
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<td>List of Officers Due</td>
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## Registered Agent Information

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<th>Address 1: 701 S CARSON ST STE 200</th>
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<tr>
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## Financial Information

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## Officers

### Director - STUART AGRANOFF

<table>
<thead>
<tr>
<th>Address 1:</th>
<th>2501 S. PRICE ROAD, SUITE 201</th>
<th>Address 2:</th>
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<tr>
<td>City:</td>
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<tr>
<td>Zip Code:</td>
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### President - L. DAVID CALLAWAY

<table>
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<tr>
<th>Address 1:</th>
<th>2501 S. PRICE ROAD, SUITE 201</th>
<th>Address 2:</th>
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<td>City:</td>
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<td>State: AZ</td>
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<td>Zip Code:</td>
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### Director - L. DAVID CALLAWAY

| Address 1:          | 2501 S. PRICE ROAD, SUITE 201 | Address 2: |
## Actions\Amendments

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**REVOKED/REINSTATED - 11/01/03 RAA**

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**List of Officers for 2004 to 2005**

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(No notes for this action)
Ground Just Got Faster

The OnTrac Delivery Advantage
Our History

Northern Express Messenger (NEM) established in Canada

'54

Express Messenger Systems (EMS) launches California Overnight

'91

Overnight division’s 20th anniversary

'11

NEM changes ownership & name; consolidates couriers

'84

Service area expansion prompts name change to OnTrac

'08
Awards & Recognitions

» SDCE Green Supply Chain Award

» CFO of the Year

» Chandler 100

» ACE Awards

» SDCE 100

» Eggie Award - Best New Vendor

» Newgistics - Courier of the Year

» Best Places to Work
Network Expansion
What Drives Our Growth?

» Changes in marketplace demands
» Customers expect fast delivery without extra cost
» Greater flexibility than national carriers
Facility Locations

Phoenix, AZ   Los Angeles, CA
Tucson, AZ   Menlo Park, CA
Boise, ID   Ontario, CA
Burbank, CA   Sacramento, CA
Commerce, CA   Redding, CA
Anaheim, CA   San Diego, CA
Concord, CA   San Jose, CA
Petaluma, CA   Monterey, CA
Eureka, CA   Santa Maria, CA
Fresno, CA   South San Francisco, CA
Bakersfield, CA   San Francisco, CA
Kettleman City, CA   Stockton, CA
Visalia, CA   Denver, CO
Hayward, CA   Colorado Springs, CO

Las Vegas, NV   Reno, NV
Bend, OR   Eugene, OR
Medford, OR   Salt Lake City, UT
Cedar City, UT   Kent, WA
Moses Lake, WA   Pasco, WA
Spokane, WA   Vancouver, WA
Handling Systems

» Developed by OnTrac & industry experts

» Systems designed to industry benchmarks

» Large throughput capacity

» Fewer touches

» Increased package care
Cargo Safety & Security

» CCTV from dock to pallet
» Access control systems
» Employee awareness program

» Company-adopted Security Standards
» Anonymous theft & fraud hotline
OnTrac & the Environment

- EPA SmartWay® Transport Partnership
- Reduced emissions through optimized routes
- Shipping material recycling program
- Paperless payroll
- Paperless billing & reporting

SmartWay
Transport Partner
Getting There With Cleaner Air
Service Levels

» OnTrac Ground
  › End-of-day ground delivery

» Sunrise
  › 10:30 AM express delivery

» Sunrise Gold
  › 8 AM time-critical delivery

» Palletized Freight
  › 5 PM pallet delivery

» OnTrac Hundredweight
  › Multi-parcel, single destination shipment pricing
Service Providers

» Licensed, bonded & insured

» Branded
  › Uniform
  › Vehicle
  › Photo identification

» Qualified
  › Drug and background check
  › DMV Motor Vehicle Record
  › TSA Security Threat Assessment

» Scanner
Visibility & Connectivity

» Online tracking & e-mail confirmation

» Signature capture & real-time POD

» API & ODBC

» Programming & Integration Teams

» Multi-ship software integrators
Shipments Processing

- **WebOnTrac**
  - Internet-based
  - Instant rate quotes
  - Custom address books
  - View electronic signatures

- **OnTrac Software**
  - Work station
  - Supports label printer & scale
  - ODBC interface
  - Shipment import and export
Multi-Carrier Software Providers

Brands are trademarks of their respective companies.
Package Tracking

» All major tracking scans in real-time

» “Details” view displays transaction, timestamp & facility
Tracking Milestones

PU
Pickup

OS
Origination Scan

RD
Received at Destination

OD
Out for Delivery

OK / CL
Parcel Delivered

OK: Signature Collected
CL: Consignment Left

Injection
Regional
Distributed throughout OnTrac service area

Direct Injection
Distributed within facility’s service area

Scans
Regional
OS » RD » OD » OK / CL

Direct
RD » OD » OK / CL

Distribution Center
In or outside OnTrac service area

Regional Injection
Distributed throughout OnTrac service area

Facility Injected Delivery

Daily Scheduled Pickup
Parcel Intercept

» Address Change
  › May be initiated by recipient, but must be approved by shipper

» Hold for Pickup
  › May be initiated by recipient, I.D. check at Facility

» Return to Sender
  › Shipper contacted for approval
Attempts, Signature & Door Tags

» Delivery Attempts
  › Three consecutive daily attempts
  › Monday - Friday

» Door Tag
  › Barcoded & scanned at attempt
  › Signature Required release

» Signature Options
  › Signature Required
  › No Release: ID check, 18+

Atmosphere, Signature & Door Tags

Door Tag

Sorry, we missed you!

Package Delivered

Front Door ☐ Side Door ☐ Back Door ☐ Office ☐
Patio ☐ Deck ☐ Porch ☐ Garage ☐
Neighbor: ☐ Other: ☐

Package Not Delivered

See Reverse For Details

Three delivery attempts will be made (Monday - Friday)
This was the: ☐ 1st Attempt ☐ 2nd Attempt ☐ Final Attempt

C.O.D. amount is due on delivery: $ ☐ Secured (MONEY ORDER OR CERTIFIED CHECK) NO CASH ACCEPTED
☐ Unsecured (PERSONAL CHECK OR COMPANY CHECK)

Security Reasons / Restrictions

No Release: Signature required at physical address (18 + YEARS)
Signature Required: Sign and print name (OPTIONAL, SEE REVERSE)

Signature Options

Signature Required
No Release: ID check, 18+

Future Delivery Release: Sign and print name (OPTIONAL, SEE REVERSE)

Delivery Signature ☐ Date ☐
Initials ☐ First & Last Name ☐

We attempted to pickup a shipment. Please call to reschedule

Door Tag Number DT0000000
Track at OnTrac.com
**Issue Resolution**

- **Identify**: Issue reported by system, phone call, e-mail, or web mention
- **Evaluate**: Shipment details and latest tracking scans reviewed by Agent
- **Research**: Agent contacts appropriate parties for additional information
- **Escalate**: Key issues relayed to Facility, Region, and Company Leadership for additional assistance
- **Resolve**: Solution relayed to all involved parties
- **Review**: Issue frequency and response timeliness reported and addressed
OnTrac Versus National Carriers

» Flexibility
  › Fills niches that others will not

» Cost Reduction
  › Competitive rates, fewer accessorial fees and surcharges

» Faster Ground Delivery
  › Next-day delivery at Ground rates

» Increased Productivity
  › Later pickup time; more shipments per day
Time in Transit
Life of a Package

DC outside our service area
Facility within our service area
DC within our service area

1,200 Drop Boxes for mobile reps

Facility Service Area

OnTrac network hub

Delivery

Destination in facility’s area

Destination outside facility’s area

OnTrac Facilities
Customer Locations
OnTrac Line-Haul
Customer Line-Haul
Last Mile Pickup/Delivery
OnTrac Drop Box
Transit Days from Seattle

Transit Days

1 2 3
Customer Care

» Special Accounts Group
  › Dedicated Customer Care Agents
  › Proactively scan & monitor shipments
  › Develops an understanding of your business & needs
  › Establish a personal working relationship with your Customer Service teams
Overview

» Next-day delivery at Ground rates

» Fewer fees, lower surcharges

» Serving eight Western states
  › Covering 20% of US economy
  › Over 60M consumers

» SmartWay® Transport Partner

» Over 20 years of delivery experience
Thank You!
ontrac.com