

Union Pacific Railroad, Western Region
Roseville, CA

November 18, 2013

Mr. George Chasse
General Partner
Casa Grande MT Ranch, LP
PO Box 15267
Phoenix, AZ 85060

**RE: Letter of Understanding for Casa Grande MT Ranch, LP
Proposed Construction of a New Rail Served Industrial Park to be called
"Center Point of the Southwest", Seco, AZ**

Dear George:

Union Pacific Railroad Company ("Union Pacific") and Casa Grande MT Ranch, LP ("Company") have held discussions and meetings regarding future transportation services for a rail-served industrial park located in Seco, Arizona (the "Industrial Park"). This Letter of Understanding ("LOU") sets forth the understanding of the parties to date regarding these services.

I. Purpose and Scope.

Company has submitted to Union Pacific a copy of 10% Concept Track Plans dated February 05, 2013, a copy of which is attached hereto (the "Documentation"). Union Pacific has reviewed the Documentation and agrees to work with Company to develop new rail service to the Industrial Park subject to the following terms and conditions.

II. Initial Infrastructure Requirements.

Union Pacific and Company understand that the final infrastructure requirements necessary to provide service to Company's customers cannot be determined at this time. However, Union Pacific and Company have determined the initial infrastructure requirements that will be constructed upon final approval by Union Pacific ("Initial Infrastructure Requirements"). The Initial Infrastructure Requirements are as follows:

- A. Company, at its expense, will construct proposed Track A as illustrated on the concept plans dated February 05, 2013.
- B. Company, at its expense, will furnish a new, Union Pacific standard, left-hand, No. 15 power turnout, including a Union Pacific standard power derail, for installation by Union Pacific forces.
- C. Company, at its expense, will furnish a new, Union Pacific standard, No. 11 hand-throw turnout, including a Union Pacific standard Type 1 derail, for installation by Union Pacific forces.
- D. Union Pacific, at Company expense, and subject to Arizona Corporation Commission approval, will make modifications to the existing warning devices at Peart Road.



III. Future Infrastructure Requirements

Union Pacific and Company understand and agree that the Initial Infrastructure Requirements are not sufficient for Union Pacific to provide rail service to the Industrial Park. Union Pacific will require additional infrastructure improvements as Company develops the Industrial Park and brings in new customers ("Future Infrastructure Requirements"). Union Pacific will notify Company of Future Infrastructure Requirements after evaluating each request for new rail-service. Company understands that Union Pacific will not provide any new rail-service to the Industrial Park prior to the construction of the Future Infrastructure Requirements. While all Future Infrastructure Requirements cannot be determined at this time, they will include, but are not limited to, the following:

- A. Company, at its expense, will arrange to construct two (2) new "Future" private tracks, labeled as Tracks B and C on the above referenced drawing, at such time as Company secures any commitment from a new rail user for rail service at the Industrial Park.
- B. Company, at its expense, will arrange to construct any additional tracks within the Industrial Park capable of holding one week's supply of rail cars as required to serve any new rail users located within the Industrial Park. The specific amount of track and other required equipment will be determined on an ongoing basis as Company brings new customers into the Industrial Park.
- C. Union Pacific and Company shall enter into a car storage agreement using Union Pacific's customary terms, conditions and rates.

IV. UP Track Authorization Process

Company understands and agrees that in addition to satisfying the Initial and Future Infrastructure Requirements, Union Pacific requires that all new Industrial Park rail-service requests undergo Union Pacific's Track Authorization Process. The steps of that process are as follows:

- A. Company will work with its Union Pacific Marketing and Sales representative to prepare a Customer Service Plan, when applicable, and determine the rail service Company's customers would receive and corresponding rail freight rates. Additionally, the Union Pacific Marketing and Sales representative will coordinate with other Union Pacific departments to determine any other requirements necessary for Union Pacific to provide service to Company's customers.
- B. Company must finalize the facility's track design/construction drawings and submit them to UP via the Engineering Document Exchange (web application) for approval.
- C. Company must furnish to Union Pacific a new Exhibit A Track Plan to be attached to a new Industrial Track Agreement.
- D. Company must execute a new Industrial Track Agreement with Union Pacific covering construction, maintenance and operation of the private industry track(s) based on standard Union Pacific terms and conditions. Additionally, Company's customers must also execute a Joint Use Agreement between Company and Union Pacific.



V. Additional Terms & Conditions:

Union Pacific shall only authorize construction of the industry tracks upon execution of a new Industrial Track Agreement. Union Pacific shall keep confidential all design/construction drawings, plans and other materials related to the Industrial Park that Company provides to Union Pacific during the track authorization process.

Company understands that Union Pacific will not agree to provide rail service to the Industrial Park until the entire track authorization process is complete.

Company understands that at no time prior to authorization of track construction is Union Pacific agreeing to provide rail services within the Industrial Park. Further, Company understands that Union Pacific will not operate on the Company tracks within the Industrial Park until Union Pacific has approved the facility track design/construction drawings and Company has executed an Industrial Track Agreement with Union Pacific. Additionally, Company understands that all of Union Pacific's approvals and requirements are based on Company's estimation of industrial park traffic. Any substantial changes to these estimates may change Union Pacific's requirements to provide service to the Industrial Park.

VI. Termination.

This LOU shall be valid for a period of 2 years from the execution date of this LOU or execution of the Industrial Track Agreement, whichever occurs the soonest. The LOU may be extended upon written approval by Union Pacific. This LOU may be terminated by either party at any time by written notice.

VII. Confidentiality.

This provision shall survive the termination of the LOU.

Each party agrees that it will not, without the other party's prior written consent, disclose any of the terms of this LOU or any confidential information delivered to it by the other party or jointly developed by the parties in the course of this LOU.

VIII. Assignment.

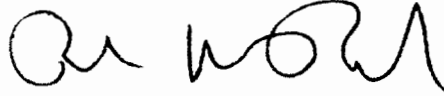
This LOU may not be assigned without the written consent of both parties.

Union Pacific looks forward to working with Company on finalizing the details of rail access to the Industrial Park. Please contact Steve Burke at (402) 233-3542 with any questions regarding this matter. If this LOU meets with your approval, please sign in the space provided below and return the original to Mr. Burke.



Union Pacific Railroad, Western Region
Roseville, CA

Sincerely,
UNION PACIFIC RAILROAD



Paul MacDonald,
Regional Director Network & Industrial Development

Accepted and Agreed:

By: George J. Chasse

Date: November, 20, 2013

