

September 26, 2018

Mr. Greg Smith
Officer of the Board
Malheur County Development Corporation
522 SW Fourth Street
Ontario, OR 97914

RE: Treasure Valley Reload Center Project, Nyssa, OR

Mr. Smith,

This letter is in regards to on-going conversations between our teams concerning the proposed Treasure Valley Reload Center Project at Nyssa, OR. The Union Pacific Railroad ("UP") has reviewed the preliminary rail layout (Project Schematic) for the Nyssa, OR reload center and industrial complex and finds the design conceptually acceptable. While UP cannot make a commitment on any specific commodity type nor level of service at this early stage, the UP looks forward to working with the Malheur County Development Corporation to further progress the project into formal design and examine potential commercial opportunities. The UP is excited by the eagerness of your staff as well as that of the community to develop a highly functional, rail-served complex in Eastern Oregon.

In the weeks ahead, the UP team desires to again meet with your staff and the community leaders to discuss next steps. We have much to discuss and the UP team is ready to engage your team and support staff immediately.

I look forward to hearing from you very soon.

Sincerely,

Paul F. MacDonald

General Director - Network Economic & Industrial Development

Union Pacific Railroad Company

Ref: Project Schematic - Phase 1, RailPros Field Services, 08-23-2018

