



**Dean H. Wise**  
Vice President  
Network Strategy

**BNSF Railway Company**  
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April 21, 2014

Sooner Sub Working Group and Selection Committee  
By email to: [RFPRail@ODOT.org](mailto:RFPRail@ODOT.org)

Dear Working Group and Selection Committee:

It is BNSF's pleasure to submit our Offer to acquire the Sooner Subdivision. As you will see, we have increased our total Offer Price to \$70 million, by increasing our investment commitment to \$45 million.

Our offer has several unique strengths:

- The \$20 million increase in BNSF's offer confirms our long-term commitment, not only to the Sooner Sub, but also to the line connecting the Sooner Sub to the Cherokee Yard in Tulsa, and the Cherokee Yard itself, BNSF's largest employment base in Oklahoma. Our \$45 million capital commitment is "take or pay" – if we don't spend it, the balance goes to the State after 10 years.
- BNSF is willing to arrange for a passenger service pilot between Oklahoma City and Tulsa. With that in mind, we have had constructive discussions with Amtrak who is willing to partner with us on a pilot, consistent with the liability provisions of our passenger principles. This will provide the State with the safest and most definitive passenger pilot – only BNSF can offer a passenger service between the desired endpoints of Oklahoma City and Tulsa.
- On the point of rail safety, BNSF is unique in its ability to commit to installing positive train control (PTC), important for crude-by-rail shipments and passenger rail service.

As I shared with you in our response to the initial Request for Proposal, BNSF's vision for the Sooner Sub is a faster, more reliable and more efficient mainline, fully integrated into BNSF's network and the global supply chain. To realize our vision we will upgrade, integrate, develop and sustain the line for long term success:

- **Upgrade** – BNSF will upgrade the Sooner Sub to an FRA Class 3 line (40 mph freight service) within five years.
- **Integrate** – As part of BNSF's system, the Sooner Sub will be managed and maintained according to BNSF's standards as a Class I railroad, which importantly provide for multiple layers of risk reduction. An integrated Sooner Sub will also strengthen the regional role of our classification yard in Tulsa (Cherokee Yard), positioning it for further expansion.
- **Develop** – By increasing Sooner Sub's reliability, speed and connectivity, existing and new customers will benefit from improved rail services and access to BNSF resources, and Sooner Sub communities will benefit from potential new economic development opportunities. BNSF will maintain customers' rail competitive options as they exist today and will arrange for a passenger service pilot.
- **Sustain** – Once upgraded, BNSF will continue to maintain Sooner Sub at FRA Class 3 levels, through ongoing capital maintenance programs.

We believe that this vision can only be realized by BNSF – as a Class I railroad with financial strength, a long term view, strong interests in Oklahoma, a proven track record second to none in working with passenger interests, and a strong relationship with the State to foster new economic development and bring the substantial benefits of rail to all its stakeholders.

Sincerely,

A handwritten signature in blue ink that reads "Dean Wise". The signature is fluid and cursive, with the first name "Dean" and last name "Wise" clearly legible.

Dean Wise  
Vice President, Network Strategy

## OFFER

The undersigned proposer (the **Proposer**) hereby offers to enter into the Sooner Sub Sale Agreement (the **Agreement**) in the form identified in the Request for Final and Binding Offers delivered to the Proposer to which this Offer responds, and on the following terms and conditions (capitalized terms used herein and not otherwise defined shall have the same meanings as assigned to such terms in the Agreement):

1. **Proposer:** The Buyer will be the Proposer identified below.
2. **Final Agreement:** Proposer's offer is contingent upon finalizing the remaining provisions of the form of final Agreement that were left incomplete, incorporating the business terms reflected in BNSF's enclosed bid response and the following modifications to such form:
  - a. The Premises must include all appurtenances to the Land including any easements, trackage rights or other rights benefiting or running with the Land that were contemplated in the BNSF Sale Agreement and BNSF Donation Contract.
  - b. Deletion of Section 3.3 regarding the right of the State to unilaterally grant highway crossings.
  - c. Section 5.1(a) modified to state that Buyer will be responsible for labor protection imposed on State or BNSF as a condition of the acquisition of the Premises from State.
  - d. Section 8.1(d) modified to eliminate the phrase "including without limitation interchange locations and gateways".
  - e. The terms of the Passenger Service Easement must be consistent with BNSF's passenger principles.
  - f. Section 8.2 modified to reflect that the remedies outlined in this section are sole and exclusive remedies, and to provide that the letter of credit secures monetary obligations described in Section 8.2 only.
3. **Purchase Price:** The amount of the Purchase Price will be **Seventy Million US Dollars (US \$70,000,000)**, \$25 million of which would be payable at Closing (less the Deposit) and the remaining payable as set forth in BNSF's enclosed bid response.
4. **Additional Commitments:** This offer also includes the commitments set forth in the Business Plan and Projected Economic Activity appendix being submitted by Proposer together with this Form of Offer. Such commitments will be reflected in the final Agreement.
5. **Unconditional Offer:** This offer will be open until 5:00 p.m. EST on May 10, 2014, unless extended by mutual consent of both the State and the Proposer (the **Termination Time**). If the State does not give written notice to the Proposer on or prior to the Termination Time that the State is prepared to enter into the Agreement, this offer shall terminate at the Termination Time.
6. **Agreement Execution:** If at any time prior to the Termination Time the Authority gives written notice to the Proposer, at the Address specified below, that the Authority is prepared to enter into

the Agreement with the Proposer, the Proposer will, within then (10) Business Days of its receipt of such notice begin working with the State to finalize the Agreement and the exhibits thereto, and deliver to the Authority the Cash Deposit and/or the Letter of Credit as set forth in paragraph 7 below.

7. **Deposit / Letter of Credit:** Within ten (10) Business Days after selection of this Offer by the State, Proposer shall provide either a cash deposit that can be applied to the Purchase Price at Closing, or provide a letter of credit in the amount of Two Million US Dollars (US \$2,000,000). Such amount will be retained by the State if Proposer fails to close under the Agreement, unless the failure to close is the result of fault or failure of the State, the failure to obtain necessary government approvals, or otherwise as set forth in the Agreement.
8. **Proposer Authorization:** The Proposer represents and warrants further that (i) it has full power and authority to make this offer and it will have full power and authority to execute and deliver the Agreement pursuant to the terms thereof, (ii) such actions do not and will not violate the terms of any of the Proposer's organizational documents or any agreement binding upon it or the terms of any applicable Law, (iii) no further consent to this offer or to the execution of the Agreement pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority, and (iv) this offer constitutes, and the Agreement, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's right generally and subject to general principles of equity (regardless of whether in law or in equity).

**NAME OF PROPOSER:**

**BNSF RAILWAY COMPANY**

By:   
Name: Dean Wise  
Title: Vice President Network Strategy

**PROPOSER CONTACT**

Name: Dean Wise  
Title: Vice President Network Strategy  
Address: 2500 Lou Menk Drive, AOB-1, Fort Worth TX 76131  
Telephone (office): 817-593-3156  
Telephone (cell): 817-807-1534  
Email: dean.wise@bnsf.com

**IMPORTANT:** For all signatories for the Proposer, please include (with the Form of Offer) evidence of the signatory's authority to sign on behalf of the Proposer.

**BNSF Railway Submittal to Oklahoma Department of Transportation  
Sooner Subdivision Railroad Sale**

**1. Offer Price**

BNSF offers a purchase price of \$70 million of which \$25 million is paid at closing and \$45 million shall be paid after Closing, as described below, regardless of the volume of traffic or revenue from the Sooner Sub (“Premises”).

**2. Business Plan and Projected Economic Activity**

**The following Section 2.a is included as an Appendix to the Sale Agreement and will constitute binding commitments.**

**a. Business Plan**

BNSF will pay the remaining \$45 million of the Purchase Price by investing in improvements to the Premises, BNSF’s line connecting the Premises to Tulsa, and/or BNSF’s Cherokee Yard, as follows:

- On or before the 5th Anniversary of Closing:
  - BNSF will invest a minimum of \$15 million on improvements to the Premises
  - These improvements include upgrading the track to Federal Railroad Administration (“FRA”) Class 3 condition
  - Subject to a mutually agreeable arrangement with the tenant under the Current Lease, BNSF will upgrade the Premises to FRA Class 3 prior to the expiration of the Current Lease.
- On or before the 10th Anniversary of Closing:
  - BNSF will invest an additional \$30 million in improvements to include:
    - Installation of PTC if crude oil unit trains or any other trains moving TIH/PIH continue to move over the line.
    - Staging/arrival/departure tracks at Cherokee Yard to increase throughput capacity and velocity, further increasing the efficiency and service to and from the Sooner Sub.
  - Additional improvements could include:
    - Upgrading of communications facilities and control systems to improve safety, efficiency and capacity of train operations, to include telecommunications towers where required to allow full radio communications and dispatching coverage
    - Bridge rehabilitation or replacement and highway crossing track and surface work, based on findings during detail inspections of current conditions

- Additional improvements to Cherokee Yard and the connecting line to the Sooner Sub
  - Proactive inspection/defect detection equipment along the line
  - Contingent on type, quantity and location of traffic moving on the line, BNSF will install:
    - i. Premium fastening systems or concrete ties on curves of 4 degrees or greater to increase the durability and longevity of the track
    - ii. New siding(s) or siding extension(s) to increase capacity of the line
  - Additional tie, rail and surfacing work to further increase the quality and durability of the line.
- Any future passenger operation will benefit from BNSF's capital commitments to the Sooner Sub, particularly upgrading of the track to a robust FRA Class 3 standard, installation of PTC and improved dispatching systems, and any installation of additional sidings or other capacity improvements.
- If at the end of 10 years, BNSF has not expended \$45 million as described above then BNSF will pay to Seller within ninety days thereafter the difference between the amount it has spent during such ten year period and \$45 million.

**b. Selection Committee's Policy Objectives**

- i. **Proposer shall provide language as to how it will meet the objectives of the Selection Committee as defined below:**
  - a. **Assurances that the line will be accessible to other rail companies**

BNSF would acquire the Sooner Sub subject to the Current Lease between Oklahoma and Stillwater Central Railroad (SLWC), and intends to work with SLWC to make the ownership transition seamless for SLWC and shippers, while providing the network benefits BNSF intends to bring to the line in terms of financial resources and economies of scale.

BNSF will provide access to other rail carriers in substantially the same manner as they have access currently (except BNSF will have no obligation to allow the tenant under the Current Lease to maintain its rights under the Current Lease beyond its current term). Upon expiration of the Current Lease, SLWC bridge traffic will be handled in BNSF train service pursuant to a commercially viable agreement between BNSF and Watco.

- b. **Assurances that current customers will continue to be served in substantially the same way as they are served currently.**

At a minimum, after the expiration of the Current Lease, BNSF will provide service to all customers currently being served from the Premises in substantially the same frequency as they are served currently provided there is no change in traffic levels

(either in aggregate or for individual customers), traffic patterns on the line, changes in customer locations, or changes in customer facility design or commodities, and in accordance with BNSF's common carrier obligations.

If during the first 10 years following Closing, a customer currently being served believes there has been a material adverse change in service independent of a change in traffic levels (either in aggregate or for individual customers), traffic patterns on the line, changes in customer locations, or changes in customer facility design or commodities, BNSF will participate within a reasonable period of time following a written request from Oklahoma Department of Transportation in a joint meeting with ODOT representatives and the customer to review the situation and will make good faith effort to find a mutually agreeable solution.

To ensure a smooth evolution with shippers, BNSF intends to set up a Sooner Sub Customer Advisory Council to increase communications with shippers as BNSF:

- Upgrades the Sooner Sub trackage;
- Introduces seamless services linking the Sooner Sub to the global supply chain; and
- Explores Industrial Development opportunities.

The Oklahoma Rail Shippers Association (ORSA) has agreed to help BNSF organize and manage the Sooner Sub Customer Advisory Council.

**c. Assurances the line will be upgraded to FRA Class 3 (40 mph) status by the seventh year after the line is sold**

As previously described in Section 2a, BNSF commits to a total of \$45 million in improvements. A minimum of \$15 million during the first 5 years, including improvements upgrading the track to Federal Railroad Administration FRA Class 3 condition (40 mph maximum freight speed where not restricted to lower speeds due to curvature or other operational or safety considerations). Subject to a mutually agreeable arrangement with the tenant under the Current Lease, BNSF will upgrade the track to FRA Class 3 prior to the expiration of the Current Lease. On or before the 10<sup>th</sup> Anniversary of closing, BNSF will invest \$30 million in additional improvements to the Premises, BNSF's Cherokee Yard, and/or the line connecting the Sooner Sub to Cherokee Yard. If at the end of 10 years, BNSF has not expended \$45 million, BNSF will pay the difference between the amount it has spent and \$45 million to the State.

- d. Assurances that Passenger rail operations must be a part of Proposer's Final and Binding Offer and must be operational by the 5<sup>th</sup> year after the sale is complete, including a 6 month trial of service once per day, five days per week. This trial will assist the Proposer in deciding whether to operate passenger rail service past year 10. If the Proposer decides to not operate passenger rail service past year 10, the Department may, as set forth in the Sale Agreement, take back a passenger rail easement.

BNSF will arrange for pilot passenger service to be provided between Oklahoma City and Tulsa, at least once per day, at least 5 days per week, for a period of at least six (6) months. Such pilot passenger service will commence on or before the fifth (5<sup>th</sup>) anniversary of the Closing.

If BNSF fails to commence a pilot passenger service on or before the fifth (5<sup>th</sup>) anniversary of the Closing, then BNSF shall pay to the State \$2.8 million and BNSF shall have no further obligation with respect to such pilot passenger service.

BNSF shall cooperate with the goal of providing continuous daily passenger service sponsored by an appropriate state agency within ten (10) years after the Closing if the demand, capacity of the line and costs will support the operations and provided such passenger service complies with BNSF's passenger principles.

Any future passenger operation will benefit from BNSF's capital commitments to the Sooner Sub, particularly upgrading of the track to a robust FRA Class 3 standard, installation of PTC and improved dispatching systems, and any installation of additional sidings or other capacity improvements.

#### ***BNSF Passenger Principles***

BNSF intends to support passenger rail studies and provide State and local officials with information. Where passenger service is proposed on a line BNSF intends to continue owning and use for passenger and freight service, the following principles apply:

- Any passenger operation cannot degrade BNSF's freight service, negatively affect BNSF's freight customers or BNSF's ability to provide them with service.
- BNSF must be compensated for any and all costs incurred in providing passenger service and make a reasonable return for providing the service.
- Capital investments necessary for passenger service are the responsibility of the public, including investments for future capacity which is potentially more expensive, especially in urbanized areas.
- BNSF will not incur any liability for passenger operations that it would not have but for those operations. These operations are provided by BNSF primarily as a

public service; the relatively modest compensation BNSF receives does not begin to justify assuming the significant liability associated with passenger service.

- Studies of how passenger service might be provided must take into account not only the current freight traffic levels, but projected freight traffic growth.
- Investments made for passenger projects must not result in BNSF incurring a higher tax burden. Property improvements should not become part of BNSF's tax base; materials used should be exempt from all sales and use taxes, etc. or BNSF must be made whole for any increased tax burden.
- BNSF must retain operating control of rail facilities used for passenger service. All dispatching, maintenance and construction must be done under the control of BNSF. Passenger stations, parking lots and other non-rail facilities may be publicly owned and operated.
- Studies must reflect BNSF's actual operating conditions and cost structures. For example, construction work estimates must reflect BNSF labor contract costs. Schedules cannot assume that BNSF will not operate any freight trains during peak passenger periods, etc.
- BNSF will limit passenger operations to the passenger schedules initially agreed upon and for which the capital improvement plan has been designed. Future expansions will have to undergo the same analysis and provide any required capital improvements before schedules can be altered, service added, or stations added.
- Improvements must include grade crossing protection and intertrack fencing as required to minimize the risk of accidents, due to liability and service interruption concerns.

**e. Assurances that the State has the right to re-acquire in instances of financial distress or proposed abandonment and discontinuance.**

In the event BNSF decides to abandon or discontinue operations on and over the Premises, BNSF will obtain authorization from the STB or other regulatory authority as may be appropriate.

If BNSF decides to abandon or discontinue operations on and over the Premises within 21 years after Closing then prior to filing for STB authorization, BNSF shall give the State 120 calendar days' notice of its plan to seek such authorization, and the State shall have the right at their sole discretion to purchase the Premises for net liquidation value determined under the STB's standards at that time.

c. **Projected Economic Activity**

i. **Details regarding the number and type of jobs created or retained for operating the Sooner Sub following the ownership transfer**

Acquisition of this line will add to BNSF's already sizable investment in Oklahoma of over 1,200 employees and 1,037 miles of owned track. Specifically:

- BNSF anticipates its incremental workforce would be approximately 20 full time employees, with a payroll of about \$1.5 million/year.
- Additional incremental jobs would result from BNSF's commitment to invest \$45 million over the first ten years in the Sooner Sub and also to the line connecting the Sooner Sub to BNSF's Cherokee Yard in Tulsa and to the Cherokee Yard, allowing BNSF to improve service and handle higher levels of freight traffic.

In addition to direct jobs that will result from BNSF's investment in and operation of the Sooner Sub, additional jobs will likely result from:

- BNSF's Marketing and Economic Development efforts to locate new customers and grow the business of existing customers on the Sooner Sub.
- BNSF expansion of its Cherokee Yard facility, which will benefit from having the Sooner Sub available as an integral route in and out of Tulsa, resulting in improved fluidity of rail operations throughout Oklahoma, economic benefits to the State, and additional jobs in Tulsa.

ii. **Projected annual tax revenue to the State and municipalities due to private ownership**

BNSF projects that the tax revenue to the state and municipalities due to private ownership will be approximately \$450,000 per year on average during the first 10 years BNSF owns the line.

The \$450,000 of annual tax revenue is only a projection of increased taxes paid directly by BNSF. It does not include additional tax revenues to the state and municipalities from the indirect jobs and economic development created due to BNSF's plan to invest \$45 million, BNSF's increased presence in the state (for example, due to increased investment in the Cherokee Yard), and additional economic development in the state as a result of having the line owned and improved by BNSF (for example, due to additional BNSF customers locating in the state).

iii. **Projected annual economic, service and access impact to the local energy, agricultural and construction industries and other businesses as applicable**

BNSF expects to fully integrate the Sooner Sub into its transportation network and its marketing and economic development efforts. BNSF operations on the Sooner Sub are anticipated to include:

- Regular daily local train service for customers located on the Sooner Sub to handle existing and new originating and terminating traffic;
- Unit trains as required to handle crude oil to or from Stroud, depending on market conditions;
- Overhead freight traffic to and from Cherokee Yard in Tulsa. BNSF's integration of the Sooner Sub into its network should help support future BNSF investment in Cherokee Yard as it continues to become a more critical hub in the BNSF network.

Cargo that currently moves over the Sooner Sub including crude oil, drilling supplies and products, construction and building materials, plastics, and agricultural products should continue to do so. As part of the BNSF transportation network and as a direct connector to Cherokee Yard in Tulsa, the line may also handle any or all other types of traffic. Rehabilitation and upgrading of the Sooner Sub and integration into the BNSF network will eliminate handoffs between carriers, providing seamless service across BNSF's network.

Increasing maximum speed to 40 mph, removing existing slow orders, plus potential siding additions or extensions, should increase train handling capacity and fluidity of the Sooner Sub. For these same reasons, BNSF recently upgraded its track and train control systems on the Avard Sub between Tulsa and Avard, allowing increased track speeds, improved service to local customers, and reduced disruption to communities from road crossing blockages.

Last and most important, integration of Sooner Sub into BNSF's network should introduce a higher level of safety and risk reduction, a critical factor for a line handling crude oil, chemicals, and potentially, passengers. Our comprehensive program includes multiple levels of risk reduction – high quality infrastructure, proactive inspection/defect detection, extensive employee training and compliance, newly enhanced safety protocols for key trains (including crude oil), and world class first responder support and training for local communities.

Once upgraded and integrated, the Sooner Sub will be faster and more reliable, improving transit times and the velocity of railroad and shipper owned equipment. With an improved "product", BNSF efforts can then focus on business development. At BNSF, that means connecting Sooner Sub customers to more than 14,000 industrial and distribution facilities on the BNSF system and thousands more served indirectly through rail transloading facilities and connections with shortlines and other Class I railroads.

BNSF's business development approach consists of Business Unit (commodity-oriented) Marketing and Sales teams, or Customer Integration teams (geographically-oriented and focused on new and small customers), and our Economic Development team (which identifies and develops new and expanded rail served facilities across all industry sectors).

Comprising nearly 300 full time professionals, BNSF's Marketing, Sales and Economic Development (ED) teams actively promote BNSF's rail freight services to customers in the industrial, consumer, agricultural and energy product sectors. Most of the Sooner Sub freight activity should be handled by our Industrial Products and Agricultural Products Business Groups, each with sub-groups who focus on specific commodities. In addition to our staff resources, BNSF has developed award winning web tools to assist customers with many of our marketing and sales processes.

Our approach should provide Sooner Sub customers with the advantage of direct and unimpeded access to thousands of facilities in our network. In particular, BNSF will provide Sooner Sub customers with direct access to global markets and high growth domestic markets throughout North America, such as the Bakken Shale fields in North Dakota and the rapidly expanding chemical and plastics complex along the Gulf Coast in Texas and Louisiana.

For new and expanded facilities, BNSF's Economic Development ("ED") team is unmatched in the industry, consisting of 45 fulltime professionals backed by a wide array of technical experts in marketing research, facility engineering design, and service design .

The ED team is dedicated to working with State and local Economic Development Organizations (EDO) in the public and private sectors, Chambers of Commerce, public and private industrial real estate developers, shortline railroads and individual communities to develop new and expand rail-served business and industrial facilities.

Our ED network can bring new business opportunities to Sooner Sub customers through participation in the major national and international industry trade and professional organizations in economic development, transportation and logistics, warehousing and distribution, and other industrial arenas in the agricultural, industrial, consumer, and energy sectors.

In addition to our traditional Marketing and Sales staff assignments, BNSF's ED team intends to pursue a five-phase marketing plan for the Sooner Sub, featuring a cooperative effort with the State and local economic development organizations, utilities, communities and local businesses. This effort should be initiated within 90 days of BNSF's closing. An outline of our marketing plan follows:

***Phase 1: Economic Development Strategy***

Complete inventory of economic conditions and resources, SWOT ("Strengths, Weaknesses, Opportunities and Threats") analysis, and specific development

opportunities and recommendations for strengthening the capacity of local and regional ED Offices.

***Phase 2: Target Industry Analysis***

Identify rail-served industry sectors and industry clusters with potential for locating or expanding in the area. BNSF intends to pinpoint location factors that offer a distinct competitive advantage.

***Phase 3: Target Firm Analysis***

Identify specific firms that should be targeted for marketing efforts. With a focus on strong relationship history, BNSF intends to perform outreach to maximize the desired firms that will fit best in the growth of the business.

***Phase 4: Marketing Plan***

Create a plan aimed to grow business opportunities for the area and its communities, tailored to the industry groups and firms identified above.

***Phase 5: Marketing Implementation for New and Expanding Business Opportunities***

With a vision for new business development, execute the plan and disseminate marketing materials and collateral, and participate in State and regional marketing programs aimed at attracting and establishing industrial parks, sites and transload facilities. BNSF Economic Development intends to specifically target local communities to identify opportunities to develop new transload facilities with an eye toward inclusion in the BNSF Premier Transload Network. The BNSF ED team, in conjunction with our Customer Integration team (experts in identifying new business and facility improvement opportunities for small and medium sized customers), intends to meet with each existing business, conduct an assessment of facility conditions and needs, and develop specific business expansion recommendations from both market and operational efficiency perspectives.

BNSF offers rates and services that enhance shippers' competitive position in their markets, including single carrier service to numerous locations served by BNSF in the western United States and direct connections to eastern carriers. Rates for Sooner Sub Customers are currently line haul through rates set by BNSF marketing, and are designed to be competitive. That approach will not change with BNSF ownership of the Sooner Sub, and BNSF will not establish any geographic based surcharges for Sooner Sub customers as a result of the sale.

BNSF also recognizes the Sooner Sub provides a link between two Watco properties, and intends to work with Watco to develop commercially viable terms to maintain this link. Throughout the transition to BNSF operation after 2017, BNSF intends to work with SLWC to develop business opportunities on the Sooner Sub.

To ensure a smooth evolution with shippers, BNSF intends to set up a Sooner Sub Customer Advisory Council to increase communications with shippers as BNSF:

- Upgrades the Sooner Sub trackage;
- Introduces seamless services linking the Sooner Sub to the global supply chain; and
- Explores Industrial Development opportunities.

The Oklahoma Rail Shippers Association (ORSA) has agreed to help BNSF organize and manage the Sooner Sub Customer Advisory Council.

iv. **Projected capital investments into all capital improvements stipulated in the Sale Agreement and all Additional Capital Improvements proposed.**

As previously described in Section 2a, BNSF commits to a total of \$45 million in improvements. A minimum of \$15 million during the first 5 years, including improvements upgrading the track to Federal Railroad Administration (“FRA”) Class 3 condition. Subject to a mutually agreeable arrangement with the tenant under the Current Lease, BNSF will upgrade the Track to FRA Class 3 prior to the expiration of the Current Lease. On or before the 10<sup>th</sup> Anniversary of closing, BNSF will invest an additional \$30 million in additional improvements to the Premises, to Cherokee Yard in Tulsa, and to the connecting line between the Sooner Sub and Cherokee Yard. If at the end of 10 years, BNSF has not expended \$45 million, BNSF will pay the difference between the amount it has spent and \$45 million to the State.

v. **Proposers must provide sufficiently detailed information for the Department of Commerce to prepare its economic benefit/activity report and for the Selection Committee to adequately access the feasibility of the projections.**

**BNSF RAILWAY COMPANY**  
Certificate of Assistant Secretary and Incumbency

I, Jeffrey T. Williams, Assistant Secretary of BNSF Railway Company, a corporation organized and existing under the laws of the State of Delaware, do hereby certify that:

The following is a true and correct excerpt of a resolution of the Board of Directors of the Company adopted by the Board effective March 22, 2014, and such resolution has not been amended or rescinded and is in full force and effect on the date of this Certificate:

**FURTHER RESOLVED**, that each of the Chairman, the President and Chief Executive Officer, any Executive Vice President, Paul W. Bischler, Vice President Finance and Chief Sourcing Officer, and Dean H. Wise, Vice President Network Strategy (each, an "Authorized Officer"), is authorized and empowered to commit funds to and to negotiate, execute and deliver any agreements, which may contain such terms and conditions as such Authorized Officer may in his or her sole discretion approve, such approval to be conclusively evidenced by the execution of said agreements to accomplish the Sooner Sub Project, including, but not limited to, the execution of amendments to said agreements, and/or such other contracts and related or other documents which such Authorized Officer, in his or her sole discretion deems necessary, appropriate or desirable to effectuate the Sooner Sub Project, such documents to contain such terms and conditions as such Authorized Officer may in his or her sole discretion approve, such approval to be conclusively evidenced by the execution of the such documents; and

**FURTHER RESOLVED**, that the Authorized Officers are each hereby authorized and empowered on behalf and in the name of the Company to take all such further actions, to execute all such other agreements, instruments and documents, pay all such taxes, fees and expenses, and to do such other acts and things as such officer or officers, in his, her, or their discretion shall deem necessary or expedient for the accomplishment of the foregoing resolutions.

Witness my signature this 21<sup>st</sup> day of April, 2014

  
\_\_\_\_\_  
Jeffrey T. Williams  
Assistant Secretary  
BNSF RAILWAY COMPANY

