

LETTER OF UNDERSTANDING
Between
BNSF Railway
And
SMART-TD

In recognition of the upcoming temporary needs in connection with maintenance work around Everett, WA, the parties agreed to establish a Pilot Project concerning the operation of Shuttle Service headquartered at Everett, WA.

The following conditions will apply:

1. BNSF will bulletin a minimum of two (2) shuttle assignments headquartered at Everett, WA. These assignments will operate under GN Rules.
2. The limits of this service will be between Everett, WA and:
 - a. Garden of Eden Rd – MP 88.38
 - b. Fidalgo – MP 4.2Z
 - c. N. Bow – MP 80.9

NOTE: Running beyond these limits will result in a penalty equating to a basic day at applicable rate of pay. Running past any of the above listed points will result in a penalty equating to a basic day at applicable rate of pay.

3. Crews called under this agreement may shuttle train operating into and out of Everett within the limits in Section 2 without penalty. The term “train” in this agreement represents a solid block of cars, with or without power, designated for road service.

These shuttle crews will not be required nor allowed to perform yard service (switching, industry spotting/pulling, delivery/pull of interchange to foreign carriers); or yard transfer service within the consolidated terminal.

4. These crews will have no mileage limitation and will be paid on an hourly basis at the daily rate of pay of \$269.87 for conductors. These conductors will be allowed a daily trip rate of \$398.53, which includes 8 hours straight time, 2 hours overtime and Code NE in lieu of meal. Crews will be expected to carry a lunch and the Carrier will not be obligated to provide a real meal; however, the Code NE will be payable whether the crews are instructed to take a meal or not.

These jobs are intended to operate conductor only, but in the event a brakeman is needed, the brakemen’s daily rate of pay will be \$259.12. These brakemen will be allowed a trip rate of \$382.34, which includes 8 hours straight time, 2 hours overtime and Code NE in lieu of meal.

All other rules and agreements not specifically addressed in this Understanding remain undisturbed and are still payable under the appropriate CA code, including certification pay. Crews in this service on duty more than 10 hours will be paid accordingly. Examples: 1) crew on duty 8 hours will be paid a trip rate which include 2 hours overtime; 2) crew on duty 12 hours will be paid a trip rate, which includes the 2 hours overtime included in the rate of pay, plus 2 additional hours of overtime.

5. These assignments will work five days per week and will have an established on duty show-up time. Vacancies and extra jobs will be filled from the Everett Conductor's Extra Board. Extra jobs in this service can be called at any time. It is understood that BNSF will bulletin and assign a regular assignment if extra jobs are worked with an on duty time within a four hour window for four consecutive days. It is understood that a relief assignment could only be established based on rest days of the regular assignments. If an assigned crew is not rested for their next assignment due to overtime worked on their own job, the assigned crew will be expected to show up for work on their rest unless instructed that the assignment is annulled.
6. Crews in this service will not be required to perform yard service switching but can perform permissible moves under PEB 219. These crews may spot head-end and DP power for fueling. Because these crews may handle more than one set of cars, the permissible moves set forth herein are calculated based on the following. If the crew handles cars out of the terminal, that move is considered the crew's initial terminal for those cars and the crews can perform three moves in connection with that train in accordance with PEB 219. If the crew handles cars into the terminal, that move is considered the crew's final terminal for that train and the crew can three moves in connection with those cars in accordance with PEB 219. If the crew handles the same cars into and out of the terminal, Everett will be considered as an intermediate location for that train, and the crew is limited to one pick-up and/or one set-out within the Everett switching limits with those cars.
7. As part of discussion this date, it was understood that Shuttle Service covered by this Understanding would be considered assignments qualifying under the Holiday Pay Agreement but would be allowed to take Personal Leave Days. However, no crew covered by this Understanding shall receive more than eleven personal leave days and paid holidays in any calendar years.

Conductor Personal Leave Day and Holiday Pay - \$269.87 (8 Hour Daily Rate)
Brakeman Personal Leave Day and Holiday Pay - \$259.12 (8 Hour Daily Rate)

Overtime for working a Holiday will only be applicable to the first 8 hours of the day, calculated on the 8 Hour Daily Rate of \$269.87 for Conductors and \$259.12 for Brakemen. Overtime when working a Holiday will not be applicable to the other components in the Shuttle Service Trip Rate.

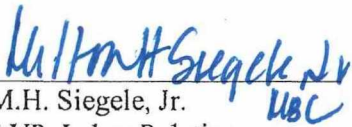
Conductor Annulment - \$371.08 (10 Hour Daily Rate minus meal)
Brakeman Annulment - \$356.29 (10 Hour Daily Rate minus meal)

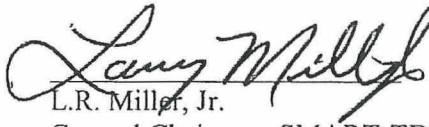
8. Provisions contained in this Understanding are agreed to on a strictly non-referable basis and will only be applicable to these outlined assignments. It was understood that this Understanding would not establish a precedent applicable to future assignments.

This Letter of Understanding will become effective on May 18, 2017, and shall remain in effect until September 30, 2017.

For BNSF Railway Company:

For SMART-TD:

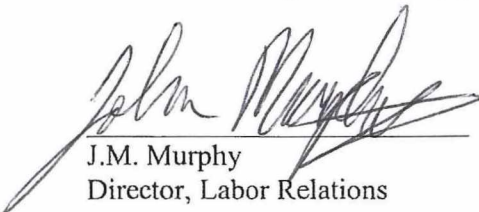

M.H. Siegele, Jr.
AVP, Labor Relations


L.R. Miller, Jr.
General Chairman, SMART-TD


M. Beasley Coke
General Director, Labor Relations


J.M. LaPresta
General Chairman, SMART-TD


Andrea N. Smith
General Director, Labor Relations


J.M. Murphy
Director, Labor Relations