

Letter of Understanding

Between

BNSF Railway Company

and

SMART-TD

In connection with the Sounder Agreement pertaining to passenger service in the Pacific Northwest, the following understood:

If any regularly assigned job is annulled on other than a holiday, they will be paid an annulment rate equal to a passenger basic day plus 71.9 miles of overtime. This rate was based on average earnings of employees assigned to passenger service.

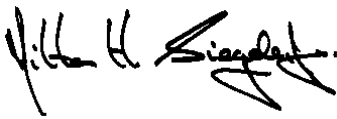
The current rate as of 1/1/2018 for conductors is \$385.30, which will remain subject to all future GWI and COLA's.

This Letter of Understanding may be cancelled by either party with fifteen (15) days written notice.

Dated: January 25, 2018

Agreed:

For BNSF Railway Company



Milton H. Siegele, Jr. (mbc)
AVP BNSF Labor Relations

For SMART-TD



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



J.M. LaPresta
General Chairman SMART-TD