

MILTON H. SIEGELE, JR. Assistant Vice President Labor Relations

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Mr. Randall S. Knutson General Chairman, SMART-TD 8250 West 80 Avenue The Meadows Centre, Units 7 & 8 Arvada, CO 80005 Mr. Chad Adams General Chairman, SMART-TD PO Box 2050 Belton, TX 76513

SIDE LETTER #1 - Longview Standing Bid Agreement

Dear Messrs. Knutson and Adams,

During our discussions regarding the SLSF Standing Bid Agreement at Longview, we agreed to the following:

SLSF and ATSF trainmen working at Longview only, will be permitted to exercise their seniority on any known vacancy (including vacation) of 7 days or more, whether it is a SLSF position or an ATSF position.

This side letter does not modify any other existing rules pertaining to bidding or bumping.

This letter will become effective on the effective date of the SLSF Standing Bid Agreement, and may be cancelled by either party by the service of a 15-day advance notice.

Sincerely,

Milton H. Siegele,

AVR, Labor Relations

Andrea Smith

General Director, Labor Relations

I agree:

Randall S. Knutson, General Chairman

Chad Adams, General Chairman