

July 1, 2007  
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Mr. Don M. Hahs  
President  
Brotherhood of Locomotive Engineers and Trainmen  
1370 Ontario Street  
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

If the number of employees represented by the BLET who elect participation in the Railroad Employees National Flexible Benefits Program (the "Program") for calendar year 2009 does not equal or exceed five (5) percent of all employees represented by the BLET eligible to make such election, the Program shall be terminated effective with respect to employees represented by the BLET midnight on December 31, 2009.

It is further understood that the flexible benefits arrangement applicable to the BLET on the BNSF Railway Company is not established under or covered by the Program and therefore will not be affected by this Side Letter.