December 1, 2016

Mr. D. R. Albers, General Chairman
Brotherhood of Maintenance of Way Employes
Allied Federation
111 Imperial Blvd., C-300
Hendersonville, TN 37075

Mr. E. W. Long, General Chairman
Brotherhood of Maintenance of Way Employes
Consolidated Rail System Federation
3493 Webster Road
Fredonia, NY 14063

Mr. J. Dodd, General Chairman
Brotherhood of Maintenance of Way Employes
Penn Federation
421 North 7th Streets, Suite 299
Philadelphia, PA 19123

Mr. J. E. David, General Chairman
Brotherhood of Maintenance of Way Employes
Affiliated System Federation
9300 Runyan Road
Catoctinburg, KY 41129

Dear Sirs:

This Letter of Understanding (LOU) is in reference to CSXT Labor Agreement No. 12-108-99 dated March 23, 1999 ("Strongsville Agreement"), in particular the Carrier’s need to reduce below the designated minimum number of Service Lane Work Territories (SLWT).

Based on the Carrier’s need to align Engineering Divisions with existing Transportation Divisions, particularly in light of the recent consolidation of the Transportation Huntington Division with adjoining divisions, the parties have agreed that effective immediately, the Carrier will be permitted to reduce the number of SLWTs from eleven (11) to nine (9), without payment of the production gang bonus specified in Section 4.e or the weekend travel allowance increase specified in Section 4.f of the Strongsville Agreement.

The exact territories of the SLWTs will be those indicated by color code and mile post locations on the map appended hereto as Appendix A.

Should the Carrier reduce or increase the number of SLWTs or change the territories of the nine (9) SLWTs established by this Agreement, the entire Strongsville Agreement and any applicable side letters will become effective to the operation of the SLWTs.

This Agreement is made on a non-precedent, non-referrable basis to the current round of national bargaining, and without prejudice to the positions of either party.

Sincerely,

Michael S. Skipper
Director Labor Relations
Accepted:

Dennis R. Albers, General Chairman
Allied Federation

Edward W. Long, General Chairman
Consolidated Rail System Federation

Jed Dodd, General Chairman
Pennsylvania Federation

Jack David, General Chairman
Affiliated Federation

Approved:

Roger D. Sanchez, Vice President
BMWED
<table>
<thead>
<tr>
<th>Service Lane</th>
<th>Seniority Districts</th>
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<tr>
<td>Albany</td>
<td>Mohawk, Buffalo, New England, New Jersey/Philadelphia</td>
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<td>MNO&amp;P, PD, Chattanooga &amp; Atlanta, S&amp;NA South (Birmingham District South), K&amp;A, Atlanta-Waycross, Georgia A &amp; WP, Birmingham District</td>
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