

SALARIED EMPLOYEE RELOCATION PROGRAM



Effective January 1, 2011

TABLE OF CONTENTS

RELOCATION PROGRAM ELIGIBILITY.....	3
HOUSE HUNTING/TEMPORARY LIVING LUMP SUM	5
MISCELLANEOUS EXPENSE ALLOWANCE	6
GEOGRAPHIC DIFFERENTIAL	7
SELLING YOUR HOME	9
INSPECTIONS.....	12
HOME SALE OPTIONS	13
LOSS ON SALE ASSISTANCE.....	20
RENTAL ASSISTANCE PROGRAM.....	21
FINDING YOUR NEW HOME	22
FINAL MOVE TO THE NEW LOCATION	27
MOVEMENT OF HOUSEHOLD GOODS.....	29
TAX ASSISTANCE	32
TAX INFORMATION SUMMARY TABLE.....	36
FREQUENTLY ASKED QUESTIONS.....	37
RELOCATION REPAYMENT AGREEMENT.....	41
GEOGRAPHIC DIFFERENTIAL WORKSHEET	42

To BNSF employees preparing to relocate:

Congratulations on your new assignment at BNSF. As you relocate to take on your new position, BNSF wants to reduce the stress related to any relocation.

Please take the time to read this document. It contains important information about the relocation assistance available to you. In addition to understanding the relocation program, this document will also help you understand related personal, legal, environmental and tax issues.

To help make your move as simple as possible, BNSF has hired a relocation program administrator, **Altair Global (Altair)**, to assist you. Upon approval of your relocation by BNSF Human Resources, Altair will assign a relocation consultant who will be your single point of contact throughout your move. This person will contact you within 24 business hours of notification by BNSF to explain the relocation program, answer your questions and outline what you need to do to complete the move in a timely manner. You can reach your consultant by calling Altair at 1-877-290-8500.

It is important to involve your relocation consultant in all areas of your move to protect your eligibility for maximum relocation assistance. Discuss your relocation and any plans before moving forward with anything relocation related, such as signing a home listing agreement or making any move plans.

Altair offers comprehensive services to make your move successful, including departure, destination, transition, and administrative benefits. After Altair receives your authorization for relocation from BNSF, you will receive an invitation via email to create your STAR[®] account online, or once you have received your login information, you may access STAR by visiting <http://www.altairglobal.com/>. You will have access to:

- Relocation resources, tools, and information
- Relocation policies and related documents
- Viewing online messages about your relocation
- Submitting and tracking expense reimbursement requests

Make the most of STAR[®] at your convenience, but never hesitate to contact your consultant whenever you are in doubt or need assistance with your relocation.

The cost of Altair's professional services is paid by BNSF and will not be included as income on your Form W-2. Please note that Altair does not participate in any gains or losses on the sale of your home.

You are encouraged to become fully involved in your move and to work closely with the professionals who have been made available to you. Best wishes for a successful relocation.

RELOCATION PROGRAM ELIGIBILITY

The BNSF Salaried Employee Relocation Program is designed to ensure a smooth transition to your new work location. The program provides coverage for most travel, living and moving expenses associated with your relocation, as well as assisting with certain federal and state tax liabilities resulting from relocation-related reimbursement payments.

This program applies to all salaried employees who are transferred from one location to another at the request of BNSF, provided that the following guidelines are met.

NOTE: Employees with less than 12 months of service are not eligible for the Salaried Employee Relocation Program, but may be eligible for a new-hire program based on their status at hire, including the following:

- The relocation must be approved by the BNSF Human Resources Department;
- The distance between your departure residence and the new work location must be 50 miles greater than the distance between your departure residence and your former work location, as stated in the Internal Revenue Code;
- You must execute a Repayment Agreement and Geographical Differential Form prior to receiving any relocation-related disbursements (copies of these forms are located at the end of this document);
- All of your relocation benefits related to the move, unless otherwise stated, must be completed by you and your family and submitted for reimbursement within 60 days of the date the expense was incurred to avoid the tax consequences discussed in Section 11, "Final Move to the New Location." Further, your relocation must be completed within 12 months following the effective date of your transfer.
- You must establish a primary residence appropriate for your new work location and change your formal street residence address with BNSF through the employee portal at <http://employee.bnsf.com> > Employee tab > My Personal Info > Change Address.

BNSF may request evidence of one or more of the following to prove your relocation. Evidence may include, but is not limited to:

- 1) A new home Closing Disclosure statement showing the purchase of a new home
- 2) Driver's license changed to new area
- 3) Vehicle registration in the new area
- 4) Change in voter's registration address to new area

A bona fide move includes, for an employee who is a homeowner, the sale of the home in the present work location and the purchase of a home in the new location or execution of a valid 12-month lease and establishment of legal residency in the new work location. This is a lease from a property management company (not an individual, family member or another BNSF employee). For a renter, a bona fide move includes the cancellation of a lease in the current location and the purchase of a home in the new location or execution of a valid 12-month lease from a property management company (not an individual, family member or another BNSF employee) and establishment of legal residency in the new work location.

Approval by the applicable Assistant Vice President of Human Resources is required:

- In all other cases where an employee does not complete a full bona fide relocation.
- For employees who moved within the last 12 months as they may receive modified relocation package.

The Altair relocation consultant will contact BNSF for further direction, if needed, to proceed. BNSF may require additional information if deemed necessary.

NOTE: Failure to complete a bona fide relocation could result in suspension of relocation benefits and immediate repayment to BNSF of amounts already paid to you or on your behalf.

The relocation program will apply to all family members who permanently reside within your household and qualify as dependents on your tax return on the effective date of transfer. You are eligible to receive only one set of benefits should an additional household member be asked to relocate by BNSF.

This program is subject to revision by the company at any time, without notice, as necessary, and is not to be construed as conferring any contractual right or becoming a part of any employment contract. Furthermore, BNSF does not assume any liability for relocation services provided by or arising out of any of the activities of the individual service providers, their agents, representatives or employees. If any of the provisions of this policy conflict with local laws, the provision will be disregarded. All other provisions will remain in effect.

The absence of any relocation benefit from this policy is not an indication that benefits are either automatically covered or excluded.

No substitution of expenses is permitted. An expense that exceeds the limit of one benefit may not be claimed under another benefit. An expense for which no allowance is provided may not be substituted for an allowable expense.

HOUSE HUNTING/TEMPORARY LIVING LUMP SUM

A payment of \$6,500 for homeowners and \$4,000 for renters will be provided to cover travel, lodging and associated costs for house hunting and temporary living expenses. You may keep any portion of these funds that you do not spend. The lump sum eliminates the need to submit receipts to justify expenses related to your house hunting or temporary living costs. You are encouraged to retain receipts for your personal records to facilitate the year-end tax filing process.

This payment is tax assisted for income and Medicare taxes but not for Tier I and Tier II Railroad Retirement taxes, however, these are due and will be withheld. The lump sum will be paid by Altair upon receipt and review of the Relocation Authorization and Relocation Repayment Agreement.

NOTE: Do not use your BNSF corporate credit card for any expenses associated with relocation, and do not submit any expenses under the BNSF Travel & Entertainment Policy, including those incurred prior to your effective date.

As of your effective date of transfer, relocation-related travel and temporary living costs cannot be submitted as business expenses. Such expenses must be paid from your house hunting/temporary living lump sum. This payment must also be used for house hunting expenses prior to your effective date of transfer.

The lump-sum payment is to be used for items such as:

- Transportation
- Lodging
- Meals
- Home visits (Includes return pack and load trip for final move)
- Telephone and laundry
- Child care
- Car rental and parking fees (if applicable)
- Spousal/family assistance
- Final move expenses not reimbursed to you

MISCELLANEOUS EXPENSE ALLOWANCE

BNSF recognizes that there are non-reimbursable expenses that you will incur when relocating. To assist in offsetting miscellaneous relocation expenses for which no other reimbursement is allowed, you will be provided with a one-time payment equal to 10 percent of your gross annual base salary, not to exceed \$10,000. Payment will be made no earlier than 10 days prior to the scheduled household goods' packing and loading dates. Additionally, you must provide Altair with a copy of a fully executed purchase agreement or a 12 month lease from the rental property's management company (not an individual, family member or another BNSF employee).

This allowance is not a bonus, but intended to cover the types of expenses listed below. This payment is tax assisted for income and Medicare taxes but not for Tier I and Tier II Railroad Retirement taxes, however, these are due and will be withheld.

NOTE: Do not use your BNSF corporate credit card for any expenses associated with relocation, and do not submit any expenses under the BNSF Travel & Entertainment Policy, including those incurred prior to your effective date.

As of your effective date of transfer, relocation-related travel and temporary living costs cannot be submitted as business expenses. Such expenses must be paid from your house hunting/temporary living lump sum and miscellaneous expense allowance. These payments must also be used for house-hunting expenses and relocation expenses prior to your effective date of transfer.

Some of the incidental expenses intended to be covered with your miscellaneous expense allowance include:

- Railroad Retirement taxes or other tax liabilities not covered by the relocation program
- Spousal employment expenses
- Rental car expense at departure or destination
- Household goods' packing overtime labor, extended storage periods, pet boarding/shipment, transportation of ineligible items, disassembly/reassembly of ineligible items, tips to van line drivers
- Automobile registration, licensing fees
- Telephone installation, utility connections and deposits
- Forfeited club membership fees/deposits
- Cleaning, extermination, trash removal
- Baggage checking fees, overweight or excess baggage fees
- Satellite dishes-disassembly/reassembly
- Attorney's fees not covered under new home closing cost assistance
- Installation of household appliances that were not disconnected by van line vendor at origination
- Cost of living increases up to 3.0 percent
- Duplicate housing expenses
- Toll charges, cab fares, parking fees
- Crating/uncrating of household goods items in excess of \$1,500
- Any inspection fees for your new home purchase in excess of \$400 total
- Lodging and meals during the final move not reimbursed to you

This list is not all-inclusive. It is anticipated that the miscellaneous expense allowance will be considered for any relocation-related expense not specifically provided for elsewhere in the program.

GEOGRAPHIC DIFFERENTIAL

***Geographic differential provisions do not apply to newly hired employees.*

BNSF recognizes that relocating to a higher-cost area can create an additional financial burden. In an attempt to facilitate the adjustment to a higher-cost location, BNSF will provide a geographic differential to **transferring salaried employees only**.

Please consult with your Altair consultant regarding BNSF's Mortgage Subsidy Program for information regarding this program. If you are a company officer (as defined in the Securities Exchange Act of 1934 and the regulations thereunder), you are not eligible for the Mortgage Subsidy Program.

A 3 percent minimum cost-of-living increase will be required to be eligible for a geographic differential payment. Any cost-of-living increases less than 3 percent will not be eligible for a geographic differential payment or the mortgage subsidy program.

Here's how it works:

BNSF purchases geographic cost indices from an independent, recognized cost-of-living consulting company. If the index rating at the new location's headquarters exceeds the departure location's headquarters' rating, the difference will be multiplied by your annual base salary on the effective date of transfer, once your destination status of homeowner or renter is established. The geographic cost index is computed based on the recommended location as a homeowner or a renter from the cost of living consulting company. **Your actual location of purchase or rental is a personal choice and may not match the recommended location.**

The dollar amount differential, which is determined by the above calculations, will be paid as follows:

- First Year:** Cost-of-living index multiplied by annual base salary is paid to you as the first year allowance in a lump-sum payment. *If the first year lump-sum payment is less than \$900, the second and third year payments will be included in the first year lump sum.*
- Second Year:** The first year amount multiplied by 0.67, divided by 12, will be paid to you each month beginning with month 13 from the effective date of transfer through month 24 after original payment.
- Third Year:** The first year amount multiplied by 0.33, divided by 12, will be paid to you each month beginning with month 25 from the effective date of transfer through month 36 after original payment.

To begin payments you, as an eligible salaried employee, must change your primary residence to the new location as defined in Section 1.

The geographic differential will be discontinued if the salaried employee terminates his/her employment or is transferred after one year from the effective date of transfer.

All geographic differential payments are reported as taxable wages and are not eligible for tax assistance.

If transferred, your initial geographic differential payment will terminate upon establishment of residency in the new location. The new geographic differential (if eligible in the new location) will then take effect upon establishment of residency in the new location, and the three-year cycle will begin again.

If transferred within one year, the geographic differential will be recalculated using the difference between new and old locations.

The geographic differential for an employee who has received two transfers within one year will be handled as follows:

A = Original Location

B = Second Location

C = New Location

If the cost-of-living difference between location B and C is higher than between location A and B, the cost-of-living difference between B and C will be paid in a lump sum. The second and third years are recalculated with the cost-of-living percentage increase from location A to C.

If the cost-of-living difference is lower between location B and C than between location A and B, no lump sum is paid to the transferee. The second and third years are recalculated with the cost-of-living percentage increase from location A to C.

If the cost-of-living is lower from A to C, then the geographic differential payments will be discontinued.

SELLING YOUR HOME

This section includes valuable information relating to the marketing of your home:

- **Home Sale Assistance Eligibility**
- **Agent Registration Program**
- **Home Marketing Assistance**
- **Listing Exclusion Addendum**
- **Listing Your Home**
- **Disclosure**

Home Sale Assistance Eligibility

Home Sale Assistance applies to a single-family marketable residence, townhome, condominium (if waiver of right of first refusal can be obtained) or a modular home (if affixed to a permanent foundation on land you own) that is owned and occupied by the salaried employee and is the primary residence in or near the work location city as of the effective date of transfer, with the exception of the following ineligible conditions and property types:

- Mobile, cooperative, commercial, seasonal or income-producing residences;
- A home with land in excess of what is typical for the area or neighborhood;
- Multiple dwelling structures;
- Properties with known toxic substances or defective materials, including but not limited to radon, lead, asbestos, mold, UFFI insulation, corrosive drywall, polybutylene piping or any potentially dangerous substance that has not been remediated by a licensed contractor prior to acceptance into the home sale program;
- Properties constructed and clad with EIFS, commonly known as synthetic stucco;
- Household elements like wiring, plumbing, heating/AC, roofing type, etc. that would be deemed unacceptable by standards commonly set by mortgage agencies, insurance agencies and local building regulations;
- A home for which a marketable title cannot be conveyed or with respect to which standard financing cannot be obtained;
- A home for which you elected the 15 percent lump sum payment for a prior relocation;
- Incomplete construction or reconstruction, structural or code defects, zoning or easement disputes;
- Properties in need of major repairs or extensive cleaning or otherwise deemed unmarketable.

If your principal residence is excluded under this program, please contact Altair immediately to discuss your options.

Note: When purchasing a home at the new location, please keep the exclusions referenced above in mind to avoid any potential problems during a subsequent transfer.

Agent Registration Program

One of the most important parts of your relocation is selling your present home. Altair will provide a list of qualified real estate agents available in your community who specialize in servicing relocating employees. Once you provide your consultant with two choices, Altair will contact the agents to schedule an appointment. You may work with the real estate agent of your choice. **However, the real estate agent you choose must agree to the Agent Registration Program in order for you to receive the Amended Value Home Sale Bonus.**

Altair will collect a referral fee on behalf of BNSF. The referral fee is paid by the real estate agent from a portion of the real estate commission. The referral fees collected help to minimize BNSF's relocation expenses.

A minimum of two Broker Market Analyses must be performed before you make your final selection. It is recommended that you interview the real estate agents to assess their ability to effectively market your home. Each of the real estate agents will independently complete a Broker's Market Analysis (BMA) on your home. To help you in your selection process, some of the questions you might ask the real estate agents are:

- In what locations and price ranges are you most active?
- How many similar homes have you sold in the last six months?
- How do you intend to market my home? (Number of open houses that will be scheduled and a detailed advertising strategy plan).

The results will be communicated to your Altair consultant, who will consult with you to review the results.

To get the maximum sales exposure during your marketing effort, it is to your benefit to list your home with a real estate agent whose brokerage firm is a member of a Multiple Listing Service (MLS).

Once you have decided on a real estate agent, please notify your Altair consultant of your selection. DO NOT sign a listing agreement until you have contacted your Altair consultant.

Home Marketing Assistance

BNSF has arranged for professional, independent home marketing assistance through Altair. The Home Marketing Assistance Program offers professional assistance to help you plan and execute a strategy for marketing and selling your home.

The marketing strategy will include:

- Suggestions on how to prepare your home for sale
- A recommended listing price and anticipated sale price
- Information on competing properties for sale and recently closed comparable homes
- A designated buyer profile for your property
- Creative home sale promotion ideas.

Your consultant will monitor the entire listing effort, including a review of competing homes currently listed in your area and evaluation of recently closed properties, to ensure that a realistic pricing strategy is in place. Marketing assistance also includes proactive marketing strategy calls, follow-up on buyer and real estate agent feedback as well as follow-up on advertising and open house events. Your consultant will also make recommendations to adjust your price, advertising, terms or conditions accordingly.

Present all offers to your consultant for review and approval. Please include the following clause in any purchase agreement:

Purchase Agreement Clause

“This offer is subject to the review, approval and signature of Altair Global.”

During the sale-approval process, your relocation consultant will indicate any items that you have agreed to that may not be in your best interest or may not be reimbursable under the BNSF Relocation Program. Once the sale has been approved, your consultant will work with you and your real estate agent to coordinate and manage the closing through Altair.

Use of the Marketing Assistance Program and a minimum listing period of 30 days are mandatory before you can accept the appraised value offer.

Listing Exclusion Addendum

Altair will provide you with an Exclusion Clause. The Exclusion Clause preserves your right to accept the appraised value offer with no obligation for you or BNSF to pay a real estate commission or fee. It does not prevent your real estate agent from receiving a commission if a bona fide purchaser buys your property and the home sale closing is coordinated by Altair.

The Exclusion Clause must be included as part of your listing agreement. Should the listing agent have any questions relative to making the listing agreement to the Exclusion Clause, please contact your Altair consultant for assistance ***prior to signing the listing agreement.***

Listing Your Home

An initial listing period of 30 days is mandatory. You are encouraged to list the property as soon as possible. You may explain to your real estate agent or to potential purchasers that your company’s relocation program includes an appraised value offer from the relocation company. (You should not advise your real estate agent, nor prospective buyers, of the appraised value amount as it may not be in your best interest to do so.) If the real estate agent can find a purchaser within the marketing period, the agent will receive the real estate commission when the closing with that purchaser takes place. Altair will pay normal closing costs, including the real estate commission, in association with your home sale transaction, on behalf of BNSF.

Disclosure

A critical element to the home sale process, and one that is often state-mandated, is the disclosure process. Disclosure may be defined as the duty of the seller to make known to a buyer the condition of the property, particularly any defect that could affect its value, habitability or desirability; failure to do so could constitute misrepresentation and, more likely, fraud. Therefore, it is your responsibility as the homeowner to disclose the full condition of your property to Altair as well as to any potential buyers. A Homeowner’s Property Disclosure will be included in your initial

package. Please complete this form and return it to your Altair consultant along with any other requested documents. Home sale assistance will not be provided without a fully completed copy of this disclosure form.

Should you generate a sale, all inspections must be disclosed to the buyer. Your real estate agent should encourage the buyer to have his or her own inspections performed as well.

Should you fail to disclose complete and accurate information that is subsequently discovered, you may be held responsible by BNSF for all expenses involved in correcting the defects and any possible litigation.

INSPECTIONS

During the pre-assessment process, a Major Component Assessment (MCA) will have been conducted. These may include, but are not limited to:

- Pest
- Structural
- Pool/spa
- Well/septic
- Asbestos
- Stucco

The inspectors will call you, or whomever you designate, to schedule appointments. ***Please note: receipt of the appraised value is contingent upon the inspection results. Inspection results must be disclosed to all potential purchasers.***

BNSF has purchased the Radon Warranty Plan for the sale of your home. With this plan, no inspection is done at the time of sale. The purchaser can do a test within one year of sale, and if radon is detected, remediation will be done at no cost to the purchaser or you. Remediation is paid by the radon warranty company.

Your consultant will review the results with you and identify any repairs you must complete prior to the sale of your property. **Any item deemed to be a safety or health concern as a result of the inspection process is required to be completed by a qualified, licensed contractor prior to you receiving an advance of equity or accepting the appraised value offer.** In addition, you will be required to complete mold abatement, repairs associated with moisture intrusion that may result in mold growth and correction of septic or underground storage tank defects.

Items that do not present a safety or health concern, but are still deemed defective, may be handled in one of two ways. 1) You may correct the item by using a qualified, licensed contractor. Please provide a receipt describing the work that was completed and proof of payment. If you feel you are qualified to correct the item personally, please provide original itemized receipts from the purchase of the materials used to correct the defect along with a full written description of the work that was completed. 2) Altair may withhold funds from your equity that will cover the cost to repair the defect. The amount of these funds is determined by withholding 100 percent of the estimated cost indicated on the inspection report OR you may obtain two bids, good for 90 days, to repair the defect. Altair will withhold the amount on the bid that will fully correct the defect as indicated in the original inspection report.

Your consultant will assist you with determining which items need to be corrected and which ones can be addressed by withholding funds. Funds withheld from your equity will not be refunded after closing if the new buyer does not require the repair to be made. BNSF reserves the right to make the final determination on all inspection-related issues.

HOME SALE OPTIONS

This section includes valuable information relating to the sale of your home:

- **Appraised Value Option**
 - The appraisal report
 - Appraised value calculation
 - Appraised value offer period
- **Amended Value Sale**
 - Home sale bonus
 - Amended Value Program
 - Receiving your equity from an amended value
- **Vacating Your Property**
- **Equity Advance**
- **Direct Reimbursement**

Appraised Value Option

BNSF and Altair want you to obtain the highest possible price for your home and have made the Home Marketing Assistance Program available to assist you. On occasion, however, you may find that you are unable to sell your home. For these situations, an appraised value offer will be established as a “safety net” for you.

Altair will provide you with a list of approved independent appraisers in your area from which you may select two appraisers and one alternate. You will also receive a Pre-Appraisal Input Form. This form allows you to share your opinion of the property (e.g. special features, comparable sales in the immediate neighborhood, etc.). Altair will send the Pre-Appraisal Input Form to the selected appraisers and place the appraisal order. It is important to schedule the appointments with the appraisers in a timely manner as the appraisal process may take between two to three weeks after the last appraiser’s appointment to complete. Upon completion, Altair will pay for the appraisals and bill BNSF.

The independent appraisers selected will make an objective estimate of the value of your home. An appraiser must not have any personal interest in the home or its sale. The estimate is based on a logical study of the real estate market, the condition of your property and other specific data, including regional, city and neighborhood information that may influence your property’s value. Only appraisers who have demonstrated a high degree of professionalism in gathering and analyzing data and determining eventual sales prices are included on the approved list. These appraisers are chosen for their reputations, experience, proximity to and familiarity with your neighborhood and availability for each assignment.

The Appraisal Report

Each appraiser will contact you to arrange for an appointment to evaluate your property. It is to your advantage for the appraisers to view your home in good condition since part of their professional opinion will reflect the basic appeal of your house for a potential buyer.

The appraisal reports will reflect each appraiser’s professional estimate of the anticipated sales price of your home. Valuations of a property for insurance replacement value, for tax-assessment purposes or

for refinancing needs differ in intent and scope from the relocation appraisal. The relocation appraisal is the only report of the types cited that must provide a prediction (anticipated sales price) of what a typical qualified buyer will pay for the subject property.

The anticipated sales price will be the most probable value you can reasonably expect to receive for your home considering a 90 - 120-day marketing time.

The anticipated sales price is determined by using comparable sales of homes similar to yours and making the appropriate adjustments for things such as condition, location, financing, etc. The appraisers will not make any deduction to the anticipated sales price for the real estate commission since this cost is paid by BNSF.

The appraisal process takes at least four weeks. During this period, your consultant will order inspections as required.

Appraised Value Calculation

Upon receipt of the two appraisals, Altair will carefully review the reports for accuracy and consistency. The appraisals must be within 5 percent of the highest value and, if so, the average will become your appraised value. If the two appraisals are not within the 5 percent spread, a third appraisal will be ordered by Altair utilizing the alternate appraiser you previously selected. Then, the average of the two closest appraisals will become the appraised value offer.

After the appraisals and inspection results have been evaluated and defined, your consultant will contact you and BNSF to present the appraised value for consideration of employment and a formal relocation offer.

If an offer is extended and accepted, you will be sent a package containing a letter describing and confirming the terms of the appraised value offer, a contract of sale, and other legal documents. The appraised value offer is considered a fallback offer that you can accept should you not be able to sell your property after you have marketed it for a period of 30 days.

The advantage of having an appraised value is the certainty of knowing the amount of equity available from your current home before purchasing a new one.

Note: Contracting for a new home purchase before you have received your appraised value offer and completed all inspection repairs is at your own risk.

This program also gives you, as the seller, the distinct advantage of being in a strengthened position when negotiating a sale with potential buyers because you have already received an offer from the relocation company.

Appraised Value Offer Period

You will have a 60-day period in which to accept the appraised value offer. The 60-day period begins when either you receive the verbal offer from Altair or upon Altair's receipt of a formal authorization to begin relocation services by BNSF, whichever is later. Once you have your home listed with Altair's assistance, the offer period provides you with an opportunity to find a buyer willing to pay more than the appraised value. *The 60-day appraised value offer period cannot be extended.*

Amended Value Sale Option

BNSF and Altair are confident that the home sale assistance available to you will be helpful in securing a purchaser for your property. Additionally, BNSF will provide a home sale bonus and cover customary, non-recurring selling costs if you are able to secure a purchaser for your home during your marketing period and have listed with an Altair registered agent. BNSF will accept any offer that is greater than or equal to 95 percent of the appraised value offer, pay your equity based on the appraised value offer and you will still be eligible to receive the home sale bonus.

Home Sale Bonus

You will receive a home sale bonus of 4 percent of the net sales price if you:

- Use a real estate firm that you have registered with Altair to list your property. ***If you should utilize a non-registered agent, you will not be eligible to receive a home sale bonus.***
- Secure a bona fide purchaser
- Have the closing facilitated by Altair

You must have a written, accepted bona fide offer prior to Altair's purchase of your home to be eligible for the home sale bonus.

Your home sale bonus will be coordinated by Altair. You are eligible for payment upon Altair's acquisition of your property through the amended value sale program.

Amended Value Program

If you receive an offer for your home during the 30-day mandatory marketing period, or before you have accepted the appraised value offer, please notify your consultant immediately. ***Do not accept the offer, deposit or down payment, or sign any agreement without contacting Altair.***

Provide your consultant with complete details of the offer, including the buyer's name and address, the financing being sought and other specific terms of the sale. Your consultant will then call the real estate agent involved to review and coordinate the transaction. ***BNSF's agreement with Altair precludes it from accepting an offer that is contingent upon the buyer selling his or her home or one that contains unusual terms or conditions. In addition, the sale must be scheduled to close within 60 days of the execution of the contract of sale.***

Your consultant will assist you in determining whether or not the offer is in your best interest, if the terms are acceptable and if the buyer can obtain financing. In addition, your consultant will identify all closing costs that will be covered under the BNSF Relocation Program and any items you have agreed to that might not be covered under the program. Some items not covered are buyer's closing costs, buyer's inspections, repair allowances, homeowner warranties and other items typically paid for by the buyer.

Altair will compare the offer with the appraised value to confirm that it provides you with a greater net cash return. If it does not, discuss this with your consultant immediately. ***BNSF may accept an offer greater than or equal to 95 percent of your appraised value, and still guarantee you the appraised value and pay you the home sale bonus.***

Once it has been determined that the offer is acceptable, your consultant will contact your real estate

agent to discuss the role of Altair in closing your home with the designated buyer you have secured. To consummate the sale, you will be advised to complete the contract of sale, deed paperwork and other necessary documents previously forwarded to you. Altair will “amend” the appraised value offer amount to the bona fide purchase offer amount and close the sale with the designated buyer. **NOTE: You must have a written, accepted bona fide offer prior to Altair’s purchase of your home to be eligible for the home sale bonus.**

You will not be required to attend the closing. Altair will negotiate the buyer’s inspection repair requests, if any, and coordinate the payment of the agent’s commission and other customary seller closing costs on your behalf. You are responsible for any negotiated seller concessions and any agreements you made to pay for customary purchaser’s costs. These expenses will be deducted from your equity.

Receiving Your Equity from an Amended Value Option Sale

You will receive the equity as a result of your amended value home sale from Altair. The equity will be calculated based upon the amended value offer less:

- unpaid mortgage balance
- previous equity advance, if applicable
- tax proration(s)
- costs of any repairs
- all other liens against the property

Vacating Your Property

As Altair will be purchasing your property on behalf of BNSF, when you vacate the property, it is expected to be left in move-in condition. Your consultant will discuss this with you throughout the relocation process. The following list explains what qualifies a property as move-in ready. The list is not all inclusive; should you have any questions, please consult your Altair consultant:

As a seller, you are responsible for all maintenance of your home until the date of acquisition or vacate date, whichever is later.

You agree to, at your expense, ensure the following:

- The home is completely clean upon vacating.
- Clean all sinks, showers, tubs, toilets, countertops and mirrors in bathrooms, laundry rooms, kitchen, etc.
- Have all appliances, including refrigerator, dishwasher, stoves, ovens, microwaves, trash compactors, garbage disposals and cabinets, drawers and shelves (kitchen, pantries, bathroom, laundry room, linen closets, clothes closets, built in desks, etc.), clothes washers/dryers, etc. emptied of food or personal items and cleaned prior to vacate.
- Have all carpeting professionally cleaned and stretched after you have vacated the property. A paid receipt is required.
- If your home has any hardwood flooring, it may be necessary to have the floors professionally sanded and re-stained or refinished if scratched or damaged and mentioned in the appraisals and broker market analysis.
- If your home has any ceramic tiles it may be necessary to have the floors or grout steam cleaned after you vacate and prior to the acquisition of your property.

- All laminate and linoleum floors must be mopped and cleaned after you vacate the property and prior to the acquisition of the property.
- Clean all blinds, ceiling fans including blades, exhaust fans and air conditioning intakes, change furnace filter(s), clean floor boards, etc. of accumulated dust.
- Remove ashes from fireplaces, wood burning stoves or heaters, etc.
- Replace any missing doors, missing or torn screens, missing or broken door handles, cracked or fogged windows, etc.
- Replace all carpet that is damaged or where spots remain after professionally cleaning. (Carpet replacement is automatically required if the condition was recommended and mentioned in the appraisals or broker's market analyses.)
- Repair and paint any damage done to walls due to wall mounted brackets, excessive nail holes or other wall hangings. If any portion of the wall does not match the surrounding paint color, the entire wall must be repainted to match the room. The painting must be done professionally.
- Repair or replace and paint any damaged or missing floor boards, chair railing, crown molding and picture frame molding or trim.
- If any of the appraisals or broker market analysis reports mention that the exterior of the home has damaged paint or siding, it will be required to be repainted or replaced prior to acquisition of the property if not completed during the marketing phase.
- May require neutralization of any walls, baseboards, cabinets, doors or trim with extremely personalized colors or design. If the home has wallpaper noted as dated or torn, it will be required to be removed professionally and the walls painted with neutral colors in a professional manner. If the condition was noted in an appraisal or broker market analysis report or instructed by BNSF, this remediation will be required prior to acquisition if not completed during the marketing phase. Work must be done by a professional contractor or in like condition and to commercial standards.
- Remove all debris from the home, garage and premises. Debris includes all cleaning supplies, paint cans, any and all hazardous materials, loose lumber, free-standing gas grills, including propane tanks, fertilizer, weed killer, rodent killer, fire ant killer, patio furniture, etc. Please pay particular attention to basement, attic, crawl space areas and sheds. This includes the exterior, which also includes the property and yard, sheds and garages.
- Remove all personal property that is not permanently affixed to the property or not included in the contract of sale to Altair, including furnishings, playground equipment, hot tubs, window air-conditioning units etc.
- Have the lawn mowed or driveway, steps and walkways snow shoveled when you vacate the property or at the time of acquisition of the home, whichever is the latest.
- Make sure the landscaping is in good condition and has been maintained. Make sure to remove all dead bushes and trees, including the removal of stumps. If removal creates a void or gap in the landscaping, replacement will be required. Remove excess bricks or landscaping stones not currently being used from the property.
- Warrant that all appliances are in working condition, including water heaters, furnaces, air conditioners, dehumidifiers, all kitchen and laundry appliances, faucets and faucet handles, toilets, etc.. If a major component is unable to be assessed at the time of inspection of the property, the seller also warrants the same is in working condition at the time of last use, i.e. heater, air conditioning, sprinkler, etc.

- Remove all free-standing above-ground pools and pool decks, playhouses, dog houses, etc. and sod area, if applicable.

Please note if the property is not left in the above condition, the costs to correct will be withheld from your paycheck.

Equity Advance

If funds are needed for your new home closing prior to selling your present home, you will be eligible to receive an Equity Advance based on the appraised value offer. *It can only be used to purchase a home at your new location while you are in the process of actively marketing your departure location residence.*

Equity is determined by the appraised value offer for the current home, less all outstanding encumbrances on the property, as well as estimated repairs, estimated non-reimbursable closing costs and pro-rations. The maximum equity advance loan amount will be equal to the lesser of actual funds required for closing or 90 percent of the available equity in your current property. Your consultant will assist you in obtaining this advance after you have:

- Submitted documentation of need (e.g. a copy of new home purchase contract and Loan Estimate)
- Signed and returned legal document package (deed, etc.) to Altair. Note: The title report must confirm that free and clear ownership of the property can be conveyed. You are responsible for clearing any liens outstanding beyond applicable mortgages. Any mineral rights tied to the property will be conveyed with title at the time of closing.
- Signed and returned a Promissory Note (provided by your consultant) executed by all legal owners of the property, acknowledging your repayment obligation

This advance can be disbursed no earlier than five days prior to your scheduled new home closing.

Repayment of the equity advance is either (1) deducted from the available equity upon executing the appraised value offer or the amended sale, as appropriate; or (2) due and payable within 60 days of disbursement, whichever is earlier.

To apply for this advance, contact your consultant.

If you are a company officer (as defined in the Securities Exchange Act of 1934 and the regulations thereunder), you are not eligible for the equity advance provision of this program.

Direct Reimbursement

If you are not satisfied with Altair's appraised value offer and decide to decline the appraised value offer or continue to list your home beyond the 60-day acceptance period, you will not be eligible for re-entry into the Appraised or Amended Value Program. If you sell your home through your own efforts, upon the successful closing of your home to the new buyer, you are eligible for the reimbursement of the real estate agent's commission, up to 6 percent, and non-recurring closing costs customarily paid by the seller.

Expenses that are not eligible for reimbursement include:

- Negotiable or voluntary selling costs (e.g. buyer's concessions) not legally required to be paid by the seller.
- Independent appraisals.
- Loss on sale.
- The reimbursement of home sale closing costs applies for 12 months following your start date at the new location. No housing assistance will be available at a later date.

The reimbursed expenses associated with your home sale are considered taxable income and will be tax assisted for income and Medicare taxes but not for Tier I or Tier II Railroad Retirement taxes, however, these are due and will be withheld.

LOSS ON SALE ASSISTANCE

Loss on Sale Calculation

If your home sells for less than you paid for it and provided you meet certain qualifications, BNSF will reimburse you for a portion of your loss on the sale. Reimbursement for eligible properties will be based upon 90 percent of your loss up to \$25,000, for a maximum reimbursement of \$22,500. A “loss” for this purpose exists only if your original “contract purchase price” exceeds the current contract sales price. Loss on sale will be calculated as outlined below. **Expenses incurred for financing and closing the sale will not be considered in calculating the loss amount.** If you have a “loss” (as determined above) capital improvements will be considered only in the case of new construction properties and then only those improvements made within six months of the original closing date. Capital improvements must be performed by a professional contractor. They will NOT include expenses for landscaping, fencing, drapes, carpet, wallpaper, painting, plumbing and other maintenance items, garage remodeling or conversions, or driveways. Pools will be assessed at half their cost.

See example of calculation below:

Contract sales price of home (HUD-1/Closing Disclosure)	=	A. \$210,000.00
Capital improvements (if applicable)	=	B. \$0.00
Sales price of home*	=	C. \$185,000.00
Total Loss on sale (A plus B minus C)	=	D. \$25,000.00
Total Loss on sale benefit realized (D @ 90%)	=	E. \$22,500.00

**The loss on sale is calculated based on the gross sales price to Altair. All concessions negotiated with the buyer by you prior to acquisition will be your financial responsibility, withheld at acquisition and reflected on your closing statement.*

The loss on sale reimbursement will be included as wages on your Form W-2 for the year in which paid and will be grossed up for Federal and State Income Taxes and Medicare taxes. Tier I and Tier II Railroad Retirement taxes will be withheld based on the gross amount of the payment. The payment will not be made until all necessary documents have been presented and executed.

Loss on Sale Eligibility

To qualify for loss on sale assistance, you must have secured a bona fide purchaser for your home through the amended sale option or accepted the appraised value offer within the 60-day acceptance period.

Note: If you decline the appraised value offer and/or elect to sell your home independently (outside the Home Sale Program), you will not be eligible for loss on sale assistance.

Claiming Loss on Sale Assistance

To receive the loss on sale payment, please forward a copy of the closing statement from your original purchase of the home, in addition to a fully executed copy of the contract of sale to Altair for evaluation. Your consultant can confirm your eligibility and determine the exact loss on sale amount you will receive. The payment will be made by the BNSF Payroll Department after successful acquisition of your property.

RENTAL ASSISTANCE PROGRAM

Canceling your Lease

If you are renting or leasing living quarters and the lease has not expired, BNSF will refund the expense incurred by canceling the lease. Every effort must be made to notify the landlord in advance of your intent to terminate (or assign or sublet) your lease.

When there is no cancellation provision in the lease, you must make every effort to have the lease canceled with the least amount of penalty. Neither Altair nor BNSF will facilitate the lease cancellation negotiation.

Based upon the circumstances surrounding each case, BNSF can either reimburse you or submit payment of your lease cancellation penalties directly to your landlord. However, the assistance will not exceed an amount equivalent to two months' rent. The benefit covers lease cancellation only, not reimbursement for monthly rent after the later of, provided you give proper notice to the property manager or landlord, or vacate the premises. ***Please note that BNSF will not reimburse any portion of the lease cancellation for co-lessors that are not eligible dependents.***

Payment of Lease Cancellation

The following documentation is required before any reimbursement for lease cancellation can be processed.

- A copy of the fully executed lease;
- Sufficient proof of payment (a copy of the canceled check or an invoice from the lessor stamped paid);
- Statement from the landlord itemizing the charges; and
- Copy of the written notice provided to the landlord.

Forward all documentation to your Altair consultant. Altair will disburse payment upon receipt of the required documentation. If lease cancellation is required, BNSF will provide tax assistance for applicable federal and state income taxes and Medicare taxes but not for Tier I or Tier II Railroad Retirement taxes, however these are due and will be withheld.

Lease Agreement Transfer Clause

To reduce the company's exposure and to help prevent excessive costs, you are encouraged to request that a transfer clause be included in any new lease agreement. Below is a sample Transfer Clause to be included in your new lease:

Transfer Clause

If tenant is transferred by tenant's employer to a location more than 50 miles from the premises that are a subject of this lease, this lease will automatically be terminated, provided the tenant pays an amount not to exceed one month's rent. Tenant agrees to give to landlord at least 15 days' notice of his or her intention to terminate this lease under the terms of the transfer of employment clause.

FINDING YOUR NEW HOME

This section includes valuable information relating to the purchase of your new home:

- **Home Finding Assistance**
- **Agent Registration Program**
- **Rental Assistance Program**
- **New Home Purchase**
- **Employee Purchase of BNSF Employee's Property prior to Going into Inventory**
- **Employee Purchase of an Inventoried Property**
- **New Home Closing Cost Assistance**
- **Mortgage Program**
- **Mortgage Lenders**

Home Finding Assistance

Professional home finding counseling is available to you and your family should you choose to utilize such services for area orientation, neighborhood previews and for information on schools, religious organizations, community activities, shopping and athletic facilities, commuting times and cultural events. This service is provided by the Agent Registration Program at no cost to you.

Agent Registration Program

Altair will refer you to a qualified real estate agent available in your new location who specializes in servicing relocating employees. If you prefer, you may work with the real estate agent of your choice. **However, the real estate agent you choose must participate in the Agent Registration Program in order for you to be eligible for the new home closing cost assistance.** *If you purchase a home "for sale by owner" or new construction, closing benefits apply.*

Altair will collect a referral fee on behalf of BNSF. The referral fee is paid by the real estate agent from a portion of the selling agent's real estate commission. The referral fees collected help to minimize BNSF's relocation expenses. ***Do not accompany a real estate agent on an appointment, nor execute any home-finding paperwork with a real estate agent without speaking to your consultant and registering your selected agent.***

Rental-Finding Assistance

If you intend to rent in the new location, BNSF provides assistance to help you locate the right rental property. Altair will authorize rental finding assistance through CORT, our national rental services partner, to provide ½ day rental tour assistance; the fee for this service is \$595 and is covered by BNSF. You will be promptly contacted by a CORT representative who will conduct a detailed needs assessment to discuss your preferences. CORT will then assign a local, licensed Realtor in their network to assist you on your tour. You will be provided a password-protected account, which provides access to CORT's online rental management portal where you will find information on neighborhoods in your new city in addition to being able to select properties and view properties selected for you. Once you have worked together to narrow down your selections, your CORT representative will arrange appointments at the selected properties and your agent will accompany you to the showings. You will receive assistance with:

- General area rental information such as current availability of properties for rent, average rental rates and common rental practices in the area

- Identifying neighborhoods that meet your specified housing criteria, desired commute and established budget
- Understanding local real estate practices governing such matters as who prepares the lease, the amount of commission owed, if any, and the security deposit requirements

In some areas, such as but not limited to New York, New Jersey, and the Bay Area of California, it is customary to charge a finder's or broker's fees in addition to the rental-finding assistance. While such fees are not a covered expense, your CORT representative may be able to help you locate properties in areas where you may be able to avoid incurring such fees.

Provided you work through CORT and Altair, the rental agent's services will be billed directly to Altair and the expense will be fully tax assisted; if you choose to work with a rental agent on your own and reimbursement to you for rental assistance is required, BNSF will provide tax assistance for applicable federal and state income taxes and Medicare taxes, but not for Tier I and Tier II Railroad Retirement taxes, however these are due and will be withheld.

New Home Purchase

When purchasing a home, keep in mind the following excluded properties.

- Mobile, cooperative, commercial, seasonal or income-producing residences;
- A home with land in excess of what is typical for the area/neighborhood;
- Multiple dwelling structures;
- Properties with known toxic substances and/or defective materials including but not limited to radon, lead, asbestos, mold, UFFI insulation, corrosive drywall, polybutylene piping, or any potentially dangerous substance that has not been remediated by a licensed contractor prior to acceptance into the home sale program;
- Properties constructed and clad with EIFS, commonly known as synthetic stucco;
- Properties constructed with adhered masonry veneer, commonly known as manufactured stone veneer (MSV), artificial stone veneer, cultured stone veneer, cast-stone veneer or precast stone veneer and/or siding, unless certified by a licensed contractor to be sound;
- Household elements like wiring, plumbing, heating/AC, roofing type, etc. that would be deemed unacceptable by standards commonly set by mortgage agencies, insurance agencies and local building regulations;
- A home for which a clear title cannot be conveyed or in which standard financing cannot be obtained;
- A home for which you elected the 15 percent lump sum payment for a prior relocation;
- Incomplete construction or reconstruction, structural or code defects, zoning or easement disputes;
- Properties in need of major repairs or extensive cleaning and are otherwise deemed unmarketable.

This will help you avoid potential problems if you should be transferred at a later time. If you are considering the purchase of a home constructed or clad with EIFS, commonly known as synthetic stucco or adhered masonry veneer (AMV), be aware that many homes of this type have experienced moisture problems.

Please contact your Altair consultant to discuss ordering a major component assessment on your new home prior to writing an offer. If you choose to use this benefit, you will need to present an additional addendum with your offer to purchase. This assessment is also required to be disclosed should the property be placed into the BNSF Home Sale Program in the future.

If you are considering *new construction*, be aware that attractive financing incentives such as no money down, no closing costs, deferred payments and below-market interest rates are often built into the purchase price. Additionally, the short-term homeowner may be faced with losing equity if moved during a stagnant market. BNSF will not assist with multiple closings for construction loans, etc.

If you are considering *pre-owned* homes, try to locate a residence in an area with steady appreciation and stable resale history. Look for a home with wide market appeal, good overall condition and neutral interior design. Be sure you thoroughly inspect the home, or have the home professionally inspected. Make sure that the pre-closing responsibilities for corrections and repairs are outlined in the purchase contract.

Regardless of whether the home is new construction or pre-owned, any mineral rights tied to the property are required to be conveyed with title at the time of closing.

NOTE: Contracting for a new home purchase before you have received your appraised value offer and completed all inspection repairs is at your own risk.

Employee Purchase of BNSF Employee's Property Prior to Going into Inventory

If you purchase the home of another BNSF transferring employee prior to it going into Altair's resale inventory, ***and there is no real estate commission involved***, BNSF will pay the purchaser and the seller a 4 percent bonus based on the sales price of the home. BNSF will not assist in the closing of your home and will assume no liability for your property. BNSF can make this payment because of the cost savings of not having to place the home into inventory and pay real estate commission on the transaction. This payment will be reimbursed after closing and will be reported as taxable income on your Form W-2.

Employee Purchase of an Inventoried Property

If you purchase a BNSF property from Altair's resale inventory, you will be eligible to receive a bonus of 4 percent based on the purchase price of the house.

To be eligible for the bonus, you must purchase the home through the listing agent designated on the inventory sheet. A list of the BNSF inventory properties available for sale is included on your myBNSF or is available by calling your Altair consultant.

Call your consultant after you have closed on the property to receive the 4 percent bonus. The bonus will be reported as taxable income on your Form W-2.

Mortgage Program

BNSF has arranged to provide mortgage assistance to all salaried employees through various mortgage lenders. These programs offer a full array of home mortgage options, pre-qualifications on loans, personalized counselors familiar with BNSF's relocation program and competitive rates.

Note: BNSF does not endorse any specific mortgage program. Each lender's rates and products should be evaluated with other lending programs to determine the best home financing available. You should compare interest rates at either simple or annual percentage rates.

Mortgage Lenders

The following lenders feature a direct-billing relationship with BNSF. This provision assists in minimizing your out-of-pocket expenses at the closing. Eligible purchase closing costs will be billed to BNSF directly by the mortgage lender ***provided you utilized a registered agent to purchase your home.***

Wells Fargo Home Mortgage 2701 Wells Fargo Way Minneapolis, MN 55467 (800) 457-4663	Chase 1111 Polaris Pkwy Columbus, OH 43240 (866) 344-4626	Quicken Loans 1050 Woodward Ave Detroit, MI 48226 (800) 581-6683	Premia Relocation Mortgage* 5545 Corporate Dr. Suite 303 Troy, MI 48098 (866) 591-0655
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*Please note: After closing, Premia's loans may be serviced by a company other than Premia. Your Premia Loan Officer will be able to clarify the logistics of servicing.

Most mortgage lenders require verification of employment to begin the loan application process. When this information is requested, please provide your Social Security number and the following information to the lender for employment verification:

Go to www.theworknumber.com or dial 1-800-367-5690. The lender will be asked to enter BNSF's company code, which is 10532, and the employee's Social Security number.

The following basic information is provided

- Last name, first name, middle initial
- Employment status
- Most recent start or termination date
- Total time with BNSF
- Job title
- Reference number

Please contact your Altair consultant if additional information is required.

New Home Closing Cost Assistance

BNSF will reimburse you for customary, non-recurring closing costs on a home purchased within one year from the effective date of transfer, provided you owned a home at your former location and that you purchased your new residence within a reasonable distance (50 miles) of the new work location. You are required to utilize the services of a real estate agent registered through Altair.

If a preferred lender is used, all eligible closing costs are grossed up for federal and state income taxes, Medicare, and Tier I and Tier II Railroad Retirement taxes. If you do not use a preferred lender, all eligible closing costs will not be grossed up for Tier I or Tier II Railroad Retirement taxes.

Eligible Expenses

- Reimbursement for mortgage discount point(s) will be based upon economic conditions and will be reimbursed on a sliding-fee scale

When the interest rate is:

6.99% and below	-	0 points
7% to 8.99%	-	1 point *
9% to 9.99%	-	2 points*
10% or more	-	3 points*

*Maximum point(s) to be paid for discount points.

The interest rate is based on the 60-day FNMA 30-year fixed rate mortgage loan with zero points as published in the Wall Street Journal on the first business day of each month.

- Buyer's title insurance, unless it is customary for the seller to pay these charges in the area where you are purchasing a home; for example, it is customary in Texas for the buyer to pay title insurance on new home construction and the seller to pay on pre-existing homes
- Assumption fees: FHA/VA funding fee up to 1 percent if in lieu of discount points, if eligible
- Document preparation, notary, settlement or closing fees
- Attorney's fees up to \$500 maximum
- City, county or state tax stamps and recording fees
- Survey or plat drawing (if required)
- Mechanical, radon and pest inspections up to maximum of \$400 total, which will be paid upon closing of the home purchased (one-time reimbursement only)
- Title searches, lender appraisal, credit report
- Transfer taxes

Ineligible Expenses Include:

- Interest on loans
- Mortgage, homeowners, flood or hazard insurance
- City and county property taxes or assessments
- Any costs normally paid by the seller
- Homeowner or association fees or dues
- Homeowners warranty
- Interim financing associated with purchase of new construction or other related new construction closing or escrow fees on final closing
- Fees due to not meeting contract closing date
- Lender specific document preparation fee

Claiming Purchase Closing Costs

To request reimbursement for these costs, send Altair the fully executed Closing Disclosure as well as copies of other bills or costs not shown on the statement and proof of payment (cancelled checks, statements showing posted payment, etc.). Payment will be disbursed by Altair upon receipt of the appropriate documentation.

FINAL MOVE TO THE NEW LOCATION

BNSF will reimburse reasonable costs associated with lodging and travel incurred as you and your family complete the “final move”. The final move is defined as a direct move from the former location to the new location. Lodging for one night at the origin and one night at the destination are covered. The expense statement should be submitted directly to Altair.

All of your relocation benefits must be incurred by you and your family and submitted for reimbursement within 60 days of incurring the expense (e.g., the date the expense was paid by you) in order to avoid the expense being reported as taxable income to you. If you fail to submit expenses for reimbursement within 60 days of incurring the expenses, those expenses will generally be treated as taxable income in the next payroll period after the expense report has been approved and submitted for payment. In all cases, expenses must be submitted no later than 12 months following the effective date of transfer.

In addition, please note that in order for Altair to make reimbursement to you for final trip expenses, it will be necessary for you to update your residence address through the BNSF employee portal at <http://employee.bnsf.com> > Employee tab > My Personal Info > Change Address. Without an updated address, Altair is not authorized to make reimbursement of any final trip expenses.

If the expense is not submitted in a timely manner, the expense amount will be subjected to all applicable taxes including federal and state income taxes, Tier I and Tier II Railroad Retirement and Medicare taxes.

NOTE: Do not use your BNSF corporate credit card for any expenses associated with relocation and do not submit any expenses under the BNSF Travel & Entertainment Policy, including those prior to your effective date.

As of your effective date of transfer, relocation-related travel and temporary living costs cannot be submitted as business expenses. Such expenses must be paid from your house hunting/temporary living lump sum and miscellaneous expense allowance. These payments must also be used for house hunting expenses and relocation expenses prior to your effective date of transfer.

Lodging

Lodging cannot be prepaid by BNSF. You must pay for lodging and request reimbursement on an Altair-provided expense statement. **BNSF will only reimburse for two nights of lodging, one night at the origination and one night at the destination.** Your expense statement should cite the actual cost for each day’s lodging, (one night at the origination, and one night at the destination) accompanied by itemized receipts.

Lodging excludes water parks, resorts and high-end hotels or suites. If you choose to stay in accommodations considered excessive by the company, there is the potential of non-reimbursement or reimbursement at a reduced rate.

En Route Transportation

If you drive to your new location, mileage will be reimbursed in accordance with this program. See Tax Assistance in Section 13.

- No more than two vehicles will be covered for driving or shipping (fitting within standard auto carrier). Both must be registered in the transferring employee’s name or that of an eligible family

member.

- Travel must be via the most direct route

Air Travel

Air travel for final move for the employee and dependents may be utilized only if the distance to the new location is greater than 400 miles. You will be reimbursed for a one-way coach class or economy fare ticket. If you choose to purchase a roundtrip ticket, you will be reimbursed at 50 percent of the total ticket cost.

Non-Reimbursable Expenses

The following items are not reimbursable under this program:

- Business expenses
- Rental car, even if personal vehicle shipped by van line (covered by house hunting temporary living lump sum or miscellaneous expense allowance)
- Baggage checking fees, overweight or excess baggage
- Lodging costs outside of the two nights allowed
- Hostess gifts when staying with friends or relatives
- Bus, taxi, mileage or parking fees incurred traveling to and from work
- Child care
- Pet care, boarding and shipping costs
- Expenses incurred as a result of personal side trips or extended stops are your personal responsibility
- Remaining 50 percent of roundtrip air fare on moves that exceed 400 miles
- Meals during the final move
- Lodging while en route to the destination
- Taxable portion of the mileage associated with your final move
- Tolls

This list is not all-inclusive. It is anticipated that the miscellaneous expense allowance will be considered for any relocation-related expense not specifically provided for elsewhere in the program.

Attach itemized receipts for all individual items to your Relocation Expense Report

MOVEMENT OF HOUSEHOLD GOODS

Upon initiation of your transfer, you will be assigned a moving services carrier. You will be contacted by the carrier, who will conduct an inventory of the eligible items you wish to have shipped. The carrier will transport your household goods at a mutually convenient time that you arrange directly with the mover. Movement of goods to a final home destination that is not within reasonable distance (50 miles) of the new work location must be approved by the applicable matrix assistant vice president of Human Resources and will result in a differential charge to you. The miscellaneous expense allowance may be used to cover any differential charges incurred.

You should make every effort to move directly to your permanent residence. However, if you must vacate your previous residence before you have procured permanent housing at the new location the mover will arrange for storage of goods for a period not to exceed 30 days as a renter and 60 days as a homeowner. BNSF will only approve unavoidable storage.

Storage will not be approved due to personal choice. If a permanent residence has been secured, it is the expectation that the employee will take delivery of all goods.

The invoice will be sent directly to Altair for payment. The cost for the shipment of household goods will not be included as income on your Form W-2.

Eligible Moving Costs

BNSF will pay the following charges in association with the transportation of your household goods:

- Containers (provided by the van line), packing and basic unpacking
- Loading and unloading the carrier's moving van
- Normal servicing at origin and destination of major appliances. This includes washers and dryers (including pedestal and front loading appliances), refrigerators, freezers, stereos, grandfather clocks, etc.). Only items serviced at origin will be serviced at destination. Transportation only of water purifiers or softeners; no servicing
- Bulky article charges for canoes, pianos, motorcycles, snowmobiles, golf carts, riding lawn mowers, TVs, jet skis, utility trailers
- Dismantling and un-mounting of flat screen TVs
- One pickup of empty cartons that you have unpacked
- Unavoidable storage period of 30 days for renters and 60 days for homeowners
- Transportation only on pianos, playhouses, satellite dishes and chandeliers. No disassembly or reassembly charges will be covered except if necessary on grand pianos and pool tables
- Limited crating of items that the van line has specified as required for safe transport up to \$1,500 total
- Extra labor for re-taping or re-packing boxes that you previously packed

Non-Reimbursable Moving Costs

- Extra pickups and deliveries, overtime loading and unloading (evenings, weekends and holidays are charged as overtime)
- Services of electricians, plumbers or carpenters to install additional electrical power lines, gas or water piping for appliances or installing dryer vents, water softeners, microwaves, etc.; service calls for tuning or adjusting TVs, stereos, pianos, etc.
- Remounting and any damage left as a result of the removal of any brackets/surround sound
- Removal of pictures, mirrors, curtains, drapes, carpets or any other item fastened to the walls, floors, etc.
- Any extra labor for dismantling or erecting playground equipment, benches, shelves, satellite dishes, storage building or fences, snow shoveling, re-arranging furniture, etc.
- Vehicles not listed on original survey estimate will not be moved or covered
- Additional insurance above the minimum carrier's liability
- Transportation of jewelry, furs, paints or any other combustible items, valuable articles (stamps, coin collections, wills, insurance papers, documents, etc.), liquid bleach, acids, cleaning fluids, explosives matches, open cans that can leak and cause damage, firewood, excessive households goods or perishables such as frozen food, carbonated beverages, canned goods, plants, outbuildings, fencing, lumber, bricks, stones, sand, construction or building materials
- Transportation of car parts
- Transportation of livestock trailers
- Transportation of excessive non-perishable food items
- Disassembly and reassembly of exercise equipment
- Transportation of hot tubs or spas
- Transportation of playground equipment or swing sets
- Cleaning services, trash removal
- Storage-access charges
- Avoidable storage

Shipping Vehicles

- Automobiles and pop-up campers, if not driven or towed, may be shipped in the moving van. If shipping is by other commercial means (standard auto carrier), then approval is required by the BNSF Human Resources Department. Call your consultant to review your individual situation. No boxcars or other rail equipment will be used or authorized
- Boats and their trailers of less than 20 feet may be shipped by the moving van, provided the boat and trailer fit in the moving van. If the boat cannot be moved in the moving van, it is not authorized
- No more than two vehicles will be covered for either mileage and/or shipping
- The move must be more than 400 miles to be eligible to ship any vehicle
- To facilitate transportation requirements during your temporary living period, one auto may be shipped in advance of your household goods shipment if the move is greater than 400 miles. A minimum of two to three weeks' notice is required
- No farm equipment, trucks, campers, motor homes, buses or boats and trailers 20 feet or more will be moved; livestock trailers are not eligible for shipment

Please note, because the mechanical condition of your shipped vehicle(s) is not known, neither BNSF nor Altair can accept liability for any mechanical problems that exist after the vehicle(s) is delivered.

Household Goods Insurance

Transportation and shipment of your household goods are insured at the standard mover's liability rate. Should you wish to purchase additional insurance, you may do so at your own expense.

High-Value Items

It is imperative that you notify your provider regarding high-value items. Please take the time to mark these items and the condition. You should discuss this in detail with the household goods provider during your initial discussion and at the time of survey.

Household Goods Inventories

When your furniture is loaded and unloaded, you must sign the inventory, bill of lading and packing and unpacking certificates, which have been prepared by the moving company. **You should be certain that the conditions or exceptions listed on the inventory represent the condition of your household goods.**

- If there are any damages or shortages, they should be noted on the delivery papers. This will help ensure the payment of any claim you may submit.
- Do not sign any blank packing or unpacking certificates. Make sure the correct amounts or the word "none" is written in all spaces.

Filing a Claim

If a claim must be filed, request a claim form from the carrier. Once completed, send the form to the carrier for processing. In most cases, the household goods carrier will settle your claim completely. Remember, carrier liability is limited. If your claim is not settled to your satisfaction, please advise your consultant, who will notify the carrier on your behalf.

You must submit for reimbursement of the balance of a carrier claim within 30 days after receiving the settlement from the moving company. Otherwise, BNSF will be under no obligation to handle your claim for any further settlement.

TAX ASSISTANCE

The IRS considers all expenses paid to you or on your behalf as compensation, except those expenses associated with the sale of your home through the relocation service provider, the household goods shipment, and the first 30 days of household goods storage. Mileage reimbursements are subject to the rule that the “shortest and most direct” route must be used to determine the eligible mileage reimbursement; **no side trips are reimbursable**. The mileage reimbursement will be at the specified IRS rate for moving purposes. One-way air travel for employee and dependents would also be considered a non-taxable transportation expense.

Reimbursement payments will appear on your Form W-2 for the year that the payments were disbursed to you. Payments that are considered taxable income are subject to tax withholding in compliance with IRS regulations.

To help offset additional tax liabilities you may incur as a result of receiving relocation-related reimbursements that contribute toward Form W-2 earnings, BNSF will provide tax assistance (i.e., tax additive or gross-up) to most of the taxable moving expense payments you receive. The tax assistance will include federal and state income taxes and Medicare taxes. The tax assistance payments themselves are considered taxable income for tax purposes including Tier I and Tier II Railroad Retirement taxes and withholding will apply for these taxes until you reach the Tier I and Tier II tax annual maximums. **Relocation payments will have Tier I and Tier II Railroad Retirement taxes withheld based on the “net” payment. The Tier I and Tier II Railroad Retirement taxes associated with the “grossed up” income will be withheld from your next regular payroll check. Generally speaking, the majority (about 70 percent) of Tier I and Tier II Railroad Retirement taxes due will be withheld from the relocation check.**

For example: If your Temporary Living Lump Sum is \$6,500, depending upon your state income tax rate, your payment may be grossed up to \$9,413.48. The \$2,913.48 is considered the gross up, as it is used to pay the federal, state income taxes and Medicare taxes that are grossed up. Federal and state income and Medicare taxes are withheld from the \$9,413.48 payment and Tier I and Tier II Railroad Retirement taxes are withheld using \$6,500 as the base; thus leaving a balance (or payment) of \$5,778.50. The display will separate into “net” and “tax” on the payment side. Please see the example on the following page.

BNSF Railway Company									
PO Box 1738 Topeka KS 66601		Personnel Number :			Pay Area		PAYMENT SUMMARY		
					EB		Total Gross Earnings 9,413.48		
Pay Period 01/01/2017 to 01/01/2017		Tax	Status	Exemption	Addl. Taxes	Total Taxes -3,634.98			
						Total Before Tax Deductions 0.00			
Pay Date 01/01/2017		FED KS	M M	00 00	20.00 10.00	Total After Tax Deductions 0.00			
						NET PAY 5,778.50			
GROSS EARNINGS					TAXES				
		Hours	Rate	Current		Current	Year-To-Date		
Relo-Temp Lvg Lump Sum-N				6,500.00	Federal FED				
Relo-Temp Lvg Lump Sum-I				2,913.48	Withholding Tax	2,353.37	2,353.37		
					EE Railroad Rtmt Tier1	403.00	403.00		
					EE Railroad Rtmt Tier2	318.50	318.50		
					EE Medicare Tax	136.50	136.50		
					State KS				
					Withholding Tax	423.61	423.61		
TOTAL GROSS EARNINGS				9,413.48	TOTAL TAXES		3,634.98	3,634.98	

* \$6,500 x 6.2% = \$403.00
Relocation Net x 6.2% = Tier I

** \$6,500 x 4.9% = \$318.50
Relocation Net x 4.9% = Tier II

Assuming you have not reached the annual maximum on Tier I or Tier II Railroad Retirement taxes, on your next regular payroll check, BNSF will deduct an additional \$180.64 (\$2913.48 x 6.2 percent) for Tier I taxes and an additional \$142.76 (\$2,913.48 x 4.9 percent) for Tier II taxes. Railroad Retirement taxes are applied to the regular pay plus the gross-up amount from the relocation check.

BNSF Railway Company									
PO Box 1738 Topeka KS 66601		Personnel Number :			Pay Area		PAYMENT SUMMARY		
					EB		Total Gross Earnings 4,767.29		
Pay Period 12/16/2016 to 12/31/2016		Tax	Status	Exemption	Addl. Taxes	Total Taxes -1,801.43			
						Total Before Tax Deductions -286.04			
Pay Date 01/05/2017		FED KS	M M	00 00	20.00 10.00	Total After Tax Deductions -481.73			
						NET PAY 2,198.09			
GROSS EARNINGS					TAXES				
		Hours	Rate	Current		Current	Year-To-Date		
Regular - Salaried		88.00		4,767.29	Federal FED				
					Withholding Tax	698.85	3,052.22		
					EE Railroad Rtmt Tier1	476.21	879.21		
					EE Railroad Rtmt Tier2	376.36	694.86		
					EE Medicare Tax	69.12	205.62		
					State KS				
					Withholding Tax	180.89	604.50		
TOTAL GROSS EARNINGS				4,767.29	TOTAL TAXES		1,801.43	5,436.41	

*** Taxable Gross (\$4,767.39) + (\$2,913.48) x 6.2% = \$476.21
(Regular check + Relocation Tax Gross Up) x 6.2% = Tier I

*** Taxable Gross (\$4,767.39) + (\$2,913.48) x 4.9% = \$376.36
(Regular check + Relocation Tax Gross Up) x 4.9% = Tier II

BNSF will withhold child support and legal garnishments up to the maximum withholding limit per federal and state laws. Once you meet the Tier I and Tier II Railroad Retirement tax annual maximum, you will no longer have additional Tier I and Tier II Railroad Retirement taxes withheld.

Tax assistance will be applied only to the following relocation benefits:

- Miscellaneous expense allowance (this allowance should be utilized for tax liability not covered elsewhere in the relocation program, e.g., Railroad Retirement taxes, payments not tax assisted, higher federal and state tax rates)
- Lump sum for house hunting/temporary living
- Rental-finding assistance
- New home closing cost assistance (except discount points)
- Loss on sale
- Lease cancellation
- Direct reimbursement of selling costs if appraised value offer is declined
- Home sale program transfer taxes – dual-deed costs

Tax assistance will not be provided for the following items:

- Home sale bonus
- Geographic differential/mortgage subsidy
- Employee purchase of employee's home or from inventoried property
- Discount points; FHA or VA funding fee
- Any other relocation benefits

Methodology

- A. **Income** - The employee's annual base salary as of the effective date of transfer, Incentive Compensation Plan income (ICP) (as applicable) and relocation payments will be used to determine the employee's liability levels for tax assistance.
- B. **Marital Status** - Current status as of the effective date of transfer (married, single or head of household) will be used.
- C. **Deductions** - The standard deductions for the calendar year.
- D. **Tax Authorities** - Federal and state income taxes and Medicare taxes will be tax assisted on all eligible benefits (as specified in this program). Tier I and Tier II Railroad Retirement taxes will also be assisted on direct-bill new home closing costs. Otherwise, Tier I and Tier II Railroad Retirement taxes will be withheld after tax assistance has been calculated on eligible benefits.

For benefits where no tax assistance is provided, federal and state income tax, Tier I and Tier II Railroad Retirement tax and Medicare tax will be withheld from all nondeductible relocation payments or disbursements. Federal and applicable state income taxes will be withheld at rates applicable to supplemental income. Tier I and Tier II Railroad Retirement taxes will be withheld to the applicable limits for the calendar year.

- E. **Tax Location** - Tax rates for the employee location will be used to calculate state income tax assistance based on the effective date of transfer and date of disbursement.

Assistance with Tax Reporting

A tax-reporting form will be sent to every salaried employee who receives relocation benefits. The form will be sent for each year in which relocation-related payments are disbursed.

When filing your personal tax return, if you find that you have paid federal and/or state income tax at a rate greater than the rate at which you were grossed-up to cover those liabilities, please contact your Altair consultant to discuss performing a tax gross-up appeal. As information, the standard rate under the relocation program for federal tax gross-up is 25 percent.

You may wish to consult a professional tax advisor for details on the tax consequences of your relocation. In addition to seeking the assistance of a professional tax advisor, consider reading the following IRS information guides: Publication 521-Moving Expenses and Publication 523-Tax Information on Selling Your Home. To order these guides or other tax forms call 1-800-TAX-FORM.

TAX INFORMATION SUMMARY TABLE

Relocation Expense	Reported as Earnings	Tax Assistance	
		Federal State Medicare	Tier 1 Tier 2 Coverage
Lump Sum Allowance (House Hunting / Temporary Living)	Yes	Yes	No
Miscellaneous Expense Allowance	Yes	Yes	No
Geographic Differential	Yes	No	No
Appraised Value Option	No	No	No
Amended Sale Option	No	No	No
Homesale Program Transfer Taxes - Dual Deed Costs	Yes	Yes	No
Pre-payment penalty	Yes	No	No
Amended Value Home Sale Bonus	Yes	No	No
Direct Reimbursement of Selling Costs When Selling Your House Yourself	Yes	Yes	No
Loss on Sale Assistance	Yes	Yes	No
Lease Cancellation	Yes	Yes	No
Rental-Finding Assistance	Yes	Yes	No
Non-Direct-Billed New Home Purchase Closing Costs	Yes	Yes	No
Direct-Billed New Home Purchase Closing Costs	Yes	Yes	Yes
Employee Purchase of Employee's Home or From Inventoried Property	Yes	No	No
Discount Points**	Yes	No	No
Mortgage Subsidy	Yes	No	No
Final Move (one-way airfare, last night at origin, first night at destination)	No	No	No
Final Move - Mileage Expenses (Non-taxable portion per IRS guidelines)	No	No	No
Final Move - Final Trip Expenses not reimbursed within 60 days of occurrence.	Yes	No	No
Household Goods Shipment	No	No	No
Storage Expenses (First 30 Days)	No	No	No
Storage Expenses (31 to 60 Days)*	Yes	Yes	No

* Storage expenses that exceed 60 days are not reimbursable.

** Some costs may be tax deductible; mortgage discount points and fees are not tax assisted.

Note: On direct billed new home purchase closing costs, Altair will pay the closing costs directly to the third-party. BNSF will be responsible for grossing up federal, state, Medicare, Tier I and Tier II Railroad Retirement taxes (if applicable), and then withholding federal, state, Medicare, Tier I and Tier II Railroad Retirement taxes (if applicable). The direct billed new home purchase closing costs, and the grossed-up tax amount will be reported as taxable income to the employee, and the appropriate federal, state, Medicare, Tier I and Tier II Railroad Retirement taxes (if applicable) will be withheld. Altair should not make an actual payment to the employee.

See pages 32 – 35, Tax Assistance for details on non-income and income items.

2. FREQUENTLY ASKED QUESTIONS

We have assembled the following questions and answers as some of the questions most frequently asked regarding the relocation program. If your particular question is not answered below, contact Altair.

Pre-assessment Process Questions

- Q1.** Once I learn of the possibility of relocating with BNSF, should I contact anyone to get the preliminary relocation process started?
- A1.** You should not contact anyone prior to speaking with Altair Global (Altair). BNSF Human Resources will submit an authorization to begin the pre-assessment process to Altair, which will contact you within 24 business hours of the approval being received. Altair will explain the relocation process. You are required to work with specific, relocation suppliers. Proceeding with any piece of the relocation prior to speaking with a representative of Altair, including contacting real estate agents, could jeopardize your relocation benefits.
- Q2.** How long will the pre-assessment process take?
- A2.** The pre-assessment process with Altair may take up to 28 days. It is important that you help to drive the amount of time the pre-assessment process takes by scheduling appointments with the appraisers, agents and inspector as quickly as possible. Once all of the reports are in and have been reviewed and the appraised value of the home has been established, Altair will submit the information to BNSF for review. It may take BNSF an additional three weeks to obtain approval to move forward in the relocation process.
- Q3.** Will my home be appraised?
- A3.** Yes. As part of the pre-assessment process, you will select two appraisers from a listing provided by Altair.
- Q4.** How do you determine the value of my home?
- A4.** Altair will establish the value of your home based on the average of the two **appraisals**. If the lower **appraisal** is not within 95 percent of the higher **appraisal**, a third **appraisal** will be conducted and the **anticipated sales price** will be determined by calculating the average of the two closest **appraisals**. If the high and low **appraisals** differ from the middle appraisal by equal amounts, then the middle **appraisal** will establish the **offer price**.
- Q5.** Will inspections be ordered during the pre-assessment process?
- A5.** Yes, Altair will order a major component assessment (MCA). The inspection is intended to provide you with the information of what may have to be evaluated further and the items required for repair should you move forward in the relocation process.

Relocation Program Questions

- Q1.** Once I learn from my manager that the relocation is approved, when should I expect to be contacted to begin the relocation process?
- A1.** Your Human Resources Department representative will initiate the process to obtain Vice President approval. Once your relocation is approved and submitted to Altair, Altair will contact you within 24 hours of receipt of the authorization.

- Q2.** What is the difference between the lump sum payment and the miscellaneous expense allowance?
- A2.** The lump sum payment is intended to cover expenses incurred prior to locating permanent housing in the new destination. Expenses include temporary living, return trips, house hunting, and miscellaneous expenses related to these items.
- The miscellaneous expense allowance is intended to cover the incidental expenses related to the actual moving process and expenses to get settled in the new location. These expenses include cost of living increases up to 3 percent, lodging and meals during the final move, items not covered by the household goods moving policy, automobile registration and licensing fees, spousal career assistance, rental car expenses, tax liabilities in excess of the gross up, etc.
- Q3.** Once the relocation has been approved and prior to receiving the relocation lump sum payment, can I continue to use my corporate business expense account or corporate credit card to cover expenses incurred as a result of the move to the new location?
- A3.** Once the relocation has been approved, you are not allowed to charge expenses to a corporate account. Relocation expenses and business expenses have different source responsibilities and tax consequences. It is important that these expenses remain separate.
- Q4.** Throughout my relocation, is it permissible to discuss my relocation program with my BNSF co-workers?
- A4.** Your personal relocation situation and experience should be kept confidential between you, BNSF management and your Altair consultant. Your situation is likely different than that of previously transferred co-workers. You should not discuss or compare your relocation experiences. While the BNSF relocation program benefits and guidelines are consistently administered to all transferring employees, each individual's relocation and family situation is unique. If you have any questions related to your relocation benefits you should discuss them with your Altair consultant or call the BNSF Relocation Hotline (817-352-3399).
- Q5.** Once the relocation has been approved, when will Altair purchase the home on behalf of BNSF?
- A5.** You are required to market your home for 30 days from the list date prior to the home being eligible for buyout. You may continue to market your home for a total of 60 days to try and obtain a superior offer and to be eligible for the home sale incentive bonus.
- Q6.** Why are additional inspections required to be ordered through the home sale program?
- A6.** It is BNSF's right as the purchaser of your property to understand the condition of the home and require repairs as deemed necessary. Repair requirements include correction of defects in any major component of the home and items deemed a safety concern. Repairs requested by a buyer outside of BNSF are not the transferee's responsibility.
- Q7.** What are the expectations of BNSF and Altair when I vacate my property?
- A7.** Please refer to the BNSF vacant property requirements in Section 7 of the policy. If you have any questions, please contact your Altair consultant for clarification.

- Q8.** What happens to my old home expenses once the home has been purchased by Altair on BNSF's behalf?
- A8.** Once Altair has purchased your home, Altair, on behalf of BNSF, will pay off your home mortgage if the resale closing is not scheduled within the same month of your last mortgage payment. If resale closing is scheduled within the month, the mortgage will remain in your name and the mortgage debt will continue to appear on your credit reports. The mortgage will remain in your name until the property is sold or closed at which time the mortgage will be paid off. Altair also continues to pay for the utilities, insurance and property taxes while the home is in inventory. Therefore, it is important for you to promptly forward to Altair any correspondence you receive regarding your former home to determine what action, if any, needs to be taken.
- Second mortgages and equity lines of credit are also typically paid off at the time Altair purchases your home; however, final determination will be made by Altair and is influenced by the timing of a scheduled resale close date with a new buyer. If you have any questions as to whether or not a second mortgage or equity line will be paid off, please contact Altair for confirmation.
- Q9.** Will Altair allow a mortgage company other than Quicken Loans, Premia Relocation Mortgage, Chase or Wells Fargo to direct bill the closing costs?
- A9. No.**
- Q10.** How does the lender access my **Basic Employment Verification** information?
- A10.** The lender/verifier accesses your data by either going to www.theworknumber.com or calling 1-800-367-5690.
- Q11.** I am interested in purchasing a property currently owned by BNSF. Where can I find a list of available properties?
- A11.** A list of the BNSF inventory properties available for sale is included on your myBNSF. Log in to myBNSF > Benefits Tab > Work/Life Subtab > Relocation Subtab > Resources Subtab > BNSF Homes For Sale. You are required to work with the Altair-registered listing agent for the home purchase transaction to be eligible for the 4 percent inventory home purchase bonus.
- Q12.** What is considered my "final move"?
- A12.** The final move may take place at different times for the employee and for the employee's family. The move for the employee is considered final when the employee begins his or her new position with BNSF. The move for the family is considered final when the household goods are being moved and the family will no longer return to the origination location.
- Q13.** What expenses are covered during the final move portion of my benefits?
- A13.** Expenses covered include the last night of lodging at the origin and the first night at the destination, and mileage or airfare (if traveling over 400 miles) for the employee and dependents. Mileage at the specified IRS rate for moving purposes, via the most direct route (no side trips) if driving (move is less than 400 miles) or in lieu of flying.
- Lodging excludes water parks, resorts and high-end hotels/suites. If you choose to stay in accommodations considered excessive by the company, there is the potential of non-reimbursement or reimbursement at a reduced rate.

Q14. Is a hotel night covered the day of delivery of the household goods?

A14. Two nights are covered, one at each location. You cannot substitute one day at either location in lieu of the other.

Q15. Whose meal expenses are covered during the final move?

A15. Your miscellaneous expense allowance covers the meals for final move.

Q16. Am I authorized for household goods storage?

A16. You should make every effort to move directly to your permanent residence. However, if you must vacate your previous residence before you have procured permanent housing at the new location, the mover will arrange for storage of goods for a period not to exceed 30 days as a renter or 60 days as a homeowner. BNSF will only approve unavoidable storage. Examples include:

- Your lease is up at the origin, and your apartment in the new location is not ready
- You are required to report to work, and you have not had the opportunity to secure housing at the destination
- You have sold your property to an outside buyer at the origin and the closing is taking place prior to the closing on the property in the new location

Storage will not be approved due to personal choice. If a permanent residence has been secured, it is the expectation that the employee will take delivery of all goods. Examples of personal choice include:

- You have closed on a new home at the destination, however prior to taking delivery of your goods, you would like to paint or remodel your new home
- You have secured housing in the new location, but you and your family would like to take a vacation prior to accepting delivery of your goods

Q17. How will my paycheck be affected by the taxation of my relocation payment benefits?

A17. Taxes will be withheld directly from the actual relocation payments made to you. The applicable Tier I and Tier II Railroad Retirement taxes applicable to the “gross-up” amount will be withheld from your next paycheck. It is important for you to plan ahead as your regular paycheck will be partially or completely reduced by the Tier I and Tier II Railroad Retirement taxes applicable to relocation benefits previously paid.

BNSF Railway Company

17. RELOCATION REPAYMENT AGREEMENT

As part of our BNSF Railway Company (BNSF) relocation program we require employees to acknowledge and enter into this Relocation Repayment Agreement. A relocation is expensive and constitutes a serious investment in you and your career at BNSF. We hope that you likewise view your relocation as a mutual commitment to make the most of the opportunity.

As our relocation provider, Altair Global, has been advised that they cannot release any relocation funds to you until they have this Relocation Repayment Agreement on file. Please read it, sign it, date it, and return it to your Altair consultant so your relocation can begin as soon as possible.

I have accepted a transfer to _____, which is effective _____. (Effective Date of Transfer) (City and State) (Month/Day/Year)

Unless otherwise agreed and approved in writing in advance by the AVP Compensation and Benefits, I further agree and understand that the following events or conditions will trigger my repayment obligation under this Relocation Repayment Agreement:

- My failure for any reason under my control to begin the assignment on or about the Effective Date of Transfer;
- My termination prior to 24 months from the Effective Date of Transfer for misconduct including but not limited to unlawful or criminal conduct, falsification of records, physical violence, destruction of company property, or discrimination or harassment in violation of BNSF policy;
- My voluntary termination of my exempt or scheduled employment with BNSF, regardless of the reason or the advice upon which it is based, prior to 24 months from the Effective Date of Transfer;
- My exercise of seniority to change positions prior to 24 months from the Effective Date of Transfer; or
- My failure to complete a bona fide move as outlined in the BNSF Salaried Employee Relocation Program, Experienced New Hire Salaried Employee Relocation Program or New Hire Salaried Employee Relocation Program (as applicable), to the new work location within 12 months of my Effective Date of Transfer;

Should one of the above triggering events or conditions occur, I will repay, on demand, all relocation funds, including tax reimbursements, received by me plus all expenses incurred by BNSF in connection with ownership of my former home until its sale by BNSF plus any loss incurred by BNSF in connection with the sale of my former home, in accordance with the following schedule:

Time from Effective Date of Transfer	Repayment Obligation
1 st – 12 th Month	100%
13 th – 18 th Month	50%
19 th – 24 th Month	25%
Do not complete bona fide move 1 st – 12 th Month	100%

I acknowledge being informed that **the average cost to BNSF in 2015 to relocate a homeowner was \$73,000 and that the average cost to BNSF to relocate a renter was \$29,000.** I understand that my total repayment obligation may be more or less than such average costs based upon the following: disposition costs associated with my property as a homeowner (realtor commission, repairs and maintenance, recurring carrying costs such as utilities, taxes and homeowners association dues) and invoices paid directly to a provider (e.g. household goods, new home closing costs, lease cancellation fees, inspections, appraisals and title expenses). **Accordingly, I understand and agree that my total repayment obligation may be a large sum that significantly exceeds the average total relocation costs cited above.** I further understand that my total repayment obligation will not be determined until all invoices have been received, reviewed and processed.

I hereby authorize BNSF to withhold the maximum amount permitted by law unless otherwise agreed upon by BNSF at BNSF's sole discretion, from payment of any and all moneys due me in the nature of wages, vacation pay, commissions, bonus (incentive compensation), reimbursable business expenses or any other compensation due me, and to use all other available means to satisfy this obligation. I agree that if the foregoing withholding is insufficient to liquidate this obligation, then the balance shall become immediately due and payable without notice or demand. I also agree that I will be responsible to pay any legal expenses associated with the collection of this debt.

Failure to complete a bona fide relocation could result in suspension of relocation benefits and immediate repayment to BNSF of amounts already paid to you or on your behalf. Any exception to this Agreement requires the advance written approval of the AVP Compensation and Benefits.

(Name – Please Print)

B							
---	--	--	--	--	--	--	--

(Employee B#)

(Signature)

(Date)

This repayment agreement does not constitute a contract of employment or a guarantee of employment for one year or any other period of time. Except as otherwise provided in an applicable collective bargaining agreement, employment is at will at all times. Please complete and return for processing to:

**Altair Global
7500 Dallas Pkwy, Ste 300
Plano, TX 75024**



GEOGRAPHIC DIFFERENTIAL WORKSHEET

Name: _____

Housing Status (origination location): Homeowner _____ Renter _____

Family Size (spouse and dependent children only) _____

Destination Work Location Address: _____

Origination Work Location Address: _____

Telephone: Home: () _____ Work: () _____

Are you currently receiving a geographic differential or mortgage subsidy benefit from a prior move?

Yes _____ No _____

Note: All Geographical Differential payments are reported as taxable earnings and are not eligible for tax assistance.

Signed: _____ Date: ____/____/____

PLEASE RETURN THIS WORKSHEET TO:

Altair Global
7500 Dallas Pkwy, Ste 300
Plano, TX 75024

FOR Altair USE ONLY:

Altair TID: _____
Annual Salary in New Location: \$ _____
Effective Date of Transfer: ____/____/____

BNSF.POLICIES.FORMS.GEODIFF.10.19.04