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February 15, 2017

C. Scott Perry, President  
TransitAmerica Services, Inc.  
600 S. Riverside Road  
St. Joseph, MO 64507

**Subject: Side Letter to Amendment No. 4 to Rail Operations Agreement  
between TASI and JPB**

Dear Scott:

The Peninsula Corridor Joint Powers Board ("JPB") is pleased to have reached agreement with TransitAmerica Services, Inc. ("TASI") on the amendment by which the JPB has exercised the five one year option terms to extend the Agreement for the Provision of Rail Operations, Maintenance, and Support Services for Caltrain. The next five years will present new opportunities to change, expand and enhance the Peninsula Commute Services provided under the Agreement. In conjunction with the JPB and TASI executing the Amendment to extend the Agreement. This letter describes these opportunities and expresses the commitment of the parties to address them during the 5-year extension period under the Agreement.

1. TASI will retain maintenance of the diesel fleet and will assume maintenance of the EMUs once delivered, assuming that TASI works with JPB staff to satisfactorily develop the EMU maintenance plan and appropriate staff is hired and trained to complete the work successfully.
2. TASI will provide construction support services for the Peninsula Corridor Electrification Project under terms that provide for the hiring of adequate support staff for the duration of this project in a manner that minimizes 13c exposure.
3. TASI will take on the responsibility of office traction power system supervision also known as power direction, which positions will be located in the Caltrain control center.
4. JPB will work with TASI over the coming year to determine TASI's competence and capability to safely and efficiently perform the maintenance of the traction power system with the intention of offering TASI this work if satisfactory demonstration is made in this regard.
5. TASI will assume the maintenance of elements of the PTC system as agreed to by JPB and TASI. It is anticipated this work will include basic inspection, maintenance and troubleshooting, among other things.

6. It is anticipated that opportunities for maintenance of way work as well as construction support services will arise in the next 5 years related to the California High Speed Rail Authority Blended System Project.

In addition to the items listed above, the JPB will explore opportunities for Herzog Technologies (a) to assist the JPB with its Lick to Gilroy Positive Train Control ("PTC") project and (2) to provide secondary support services related to back office, configuration management or specialized PTC services. In any of these cases, the opportunities will be subject to appropriate procurement/selection processes and contract methodologies.

The JPB looks forward to the contractual partnership with TASI during the extension period of this Agreement.

Very truly yours,



Michelle Bouchard  
Chief Operating Officer, Rail

cc: Jim Hartnett  
Al Landes  
Jeff Davison  
Joan Cassman

I acknowledge the terms of this letter.

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_