

SCHEDULE OF RULES
GOVERNING
HOURS OF SERVICE, RATES OF PAY
AND WORKING CONDITIONS

BY AND BETWEEN

THE UNITED TRANSPORTATION UNION –
YARDMASTER DEPARTMENT

AND THE

SOO LINE RAILROAD COMPANY

(A wholly owned subsidiary of Canadian Pacific Railway)

EFFECTIVE: November 1, 2005

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NAME

OCCUPATION

who agrees to return it upon leaving the service.

INDEX

	Article	Appendix	Page
Abolishments/Annulments	24		21
Agreement Duration	33		27
Assignments Marking Time.	13		10
Basic Day	4		2
Bereavement Leave	21		18
Bulletins	15		13
Compensation For:			
Physical Exams	28		24
Privately Owned Automobile	26		23
Re-examination on Rules	27		23
Training Classes, etc.	31		27
Training Pay, Qualifications/	30		25
Court Attendance	20		17
Dependent Care Assistance Plan		App. 7	91
Direct Deposit, Payroll check		App. 10	106
Discipline, Investigations	23		19
Dues Deduction		App. 3	46
Employee Protective Agreement		App. 6	62
Five-Day Workweek	6		3
Force Reduction	9		8
401(K) Plan		App. 8	95
Guaranteed Extra List	14		11
Grievances, Time Limit	25		22
Holidays	29		24
Investigations (Discipline)	23		19
Jury Duty	20		17
Leave of Absence	17		16
Leave of Absence – Return From	18		16
Leave of Absence – Promoted to Official Position	19		17
Meal Periods	4		3

INDEX

	Article	Appendix	Page
Non-Discrimination	32		27
Official Position, Promoted To	19		17
Off-Track Vehicle Accident Benefits		App. 5	60
Overtime	4		2
Performance Program, Yardmasters		App. 9	97
Emergency Meeting		App. 9-D	104
Performance Incentive Plan		App. 9-C	102
Skills Update Program, Yardmasters		App. 9-B	101
Special Board of Adjustment		App. 9-A	99
Yardmaster Positions		App. 9-E	105
Personal Leave Days	22		18
Physical Exams	28		24
Privately Owned Automobiles, Use of	26		23
Qualifications/Training Pay	30		25
Rate Progression	3		2
Rates of Pay	2		1
Re-examination on Rules	27		23
Relief Days	6		3
Scope	1		1
Seniority:			
Districts	8		7
Establishment of	7		5
Force Reduction	9		8
Forfeiting	11		9
List	12		9
Protecting	11		9
Relinquishing	11		9
Voluntary, Exercise of	10		8
Service Scale	3		2
Sickness Benefits, Supplemental		App. 4	50
Split Shifts	4		3
Starting Time	5		3

INDEX

	Article	Appendix	Page
Training Classes, etc.	31		27
Training Pay, Qualification	30		25
Vacancies, Temporary	16		15
Vacancies, 30 Days or More	15		13
Vacations		App. 1	29
Vacations, Single Days		App. 1-B	36
Vacations, Splitting Into Weeks		App. 1-A	34
Union Shop		App. 2	38

THE RULES CONTAINED IN THIS SCHEDULE CONSTITUTE AN AGREEMENT BETWEEN THE SOO LINE RAILROAD COMPANY AND THE UNITED TRANSPORTATION UNION - YARDMASTER DEPARTMENT GOVERNING THE HOURS OF SERVICE, RATES OF PAY AND WORKING CONDITIONS OF YARDMASTERS. THE RULES CONTAINED HEREIN HAVE BEEN DRAWN FROM THE PRIOR SOO LINE RAILROAD, THE PRIOR CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD, AND APPLICABLE NATIONAL AGREEMENTS.

ARTICLE 1 - SCOPE

- (a) The rules of this agreement shall govern the rates of pay, hours of service and working conditions of yardmasters. The term "yardmaster" as used in this agreement shall be construed to mean yardmasters of all grades, including relief and extra, except footboard yardmasters.
- (b) The duties and responsibilities of yardmasters includes: supervision over employees directly engaged in the switching, blocking, classifying and handling of cars and trains and duties directly incidental thereto that are required of the yardmaster in a territory as designated by the Company and such other duties as assigned. (Mediation Agreement dated September 21, 1978)
- (c) The Management retains the right to establish, maintain and abolish yardmaster positions in any seniority district.
- (d) Other properly authorized representatives of the Company may, incidental to their other duties, perform duties performed by yardmasters so long as such performance does not result in the elimination of a yardmaster's position.

ARTICLE 2 - RATES OF PAY

- (a) The monthly rates of pay are for eight hours per day five days per week.
- (b) Yardmasters shall be monthly rated employees but shall be compensated on a daily basis. To determine the daily rate of pay multiply the monthly rate by twelve (12) and divide the result thereof by 261.
- (c) Regularly assigned Yardmasters who are required to perform work on lower rated positions shall not have their rates reduced; when required to perform work on higher rated positions they shall receive the higher rate of pay.

ARTICLE 3 - SERVICE SCALE (March 8, 2005 Soo/UTU-Y Agreement)

- (a) Employees who enter Yardmaster training will be compensated at 90% of the Yardmaster rate.
- (b) At the successful completion of the training, the Yardmaster will be compensated at the rate of 90% of the Yardmaster rate until completion of a one-year period. At the expiration of one year of Yardmaster service, such Yardmaster will be paid the 10% differential in the Yardmaster rate for all service performed between the commencement of the ninety (90) shifts probationary period and the one-year period subject to meeting performance standards.

Note 1: The “one-year period”, as used in this Article, means a period of twelve (12) consecutive months starting with the date such employee completes the Yardmaster training program.

Note 2: Yardmasters who do not complete the one-year period of Yard service, will not be paid the 10% compensation differential. The one-year period may be extended by mutual agreement between the Manager – Yard Operations and the General Chairman.

Note 3: Chronology of events:

1. Awarded a training position.
2. Complete training period.
3. Start ninety (90) shifts probationary period.
4. Complete ninety (90) shifts and establish Yardmaster seniority – continue compensation at the 90% rate.
5. Complete the one-year period – 10% differential paid in accordance with (b) above.

ARTICLE 4 - BASIC DAY AND OVERTIME

- (a) Eight (8) consecutive hours or less shall constitute a day's work.
- (b) All time in excess of eight hours shall be paid for on the actual minute basis at time and one-half rate.
- (c) Yardmasters will be obligated to report ten (10) minutes prior to the assigned starting time for turnover and terminal briefing. Yardmasters will be compensated ten (10) minutes at the overtime rate for this turnover. (Side Letter No. 10 dated October 22, 1998.)

- (d) Regularly assigned yardmasters in exercising seniority, or extra or relief yardmasters performing work on two (2) or more shifts within twenty-four (24) hour period will be paid for each shift at the pro rata rate up to eight (8) hours, and time and one-half thereafter.
- (e) Meal Periods (March 8, 2005 Soo/UTU-Y Agreement)
 - 1. Yardmasters will be permitted, consistent with the requirements of the service and without deduction, a twenty (20) minute meal period between the fourth and sixth hours on duty.
 - 2. Yardmasters who work two (2) consecutive shifts (16 hours) will be allowed, without deduction, a twenty (20) minute meal period during the second eight (8) hours period, plus a payment of twenty (20) minutes at the pro rata rate of the position worked.
- (f) Split Shifts
 - 1. The Yardmaster who takes the first portion of a vacant shift is compensated at the overtime rate for all service in excess of the first eight hours of his normal shift.
 - 2. The Yardmaster who takes the last portion of a vacant shift, and then works their regular shift on a continuous basis is compensated eight hours straight time for the last part of the vacant shift worked. The Yardmaster would also be entitled to another eight hours straight time compensation for their regular shift and overtime for any time worked after the first eight hours on their regular shift.

ARTICLE 5 - STARTING TIME

Each regularly assigned yardmaster shall have an established starting time which will not be changed without at least forty-eight (48) hours' advance notice.

ARTICLE 6 - FIVE-DAY WORKWEEK - RELIEF DAYS

- (a) Two regular rest days each week, designated by the Company, shall be assigned to each position. Consistent with requirements of the service, due regard shall be given to the preference of the regular yardmasters, in seniority order, in fixing the rest days for their positions.

Such assigned rest days shall be the same days each week and shall be consecutive to the fullest extent possible. The Company may assign non-

consecutive days off to a position whenever consecutive days off would cause or necessitate working a yardmaster with reasonable regularity in excess of 5 days per week or, by agreement with the General Chairman, days off may be accumulated over a period not to exceed five consecutive weeks.

- (b) Regularly assigned yardmasters required to perform service in excess of five (5) consecutive days will be paid one-and-one-half times the basic straight time rate for work on either or both of the rest days assigned to their positions. (Memorandum of Agreement dated January 22, 1982.)

Extra Yardmasters worked as such in excess of five (5) consecutive days shall be paid one and one-half times the basic straight-time rate for work on either or both the sixth or seventh days, except where days off are being accumulated, but shall not have the right to claim work on such sixth or seventh days.

- (c) The term "rest days" as used in this agreement means that for a regularly assigned yardmaster seventy-two (72) hours, and for a regularly assigned relief yardmaster (who performs five (5) consecutive days' yardmaster service) fifty-six (56) hours, shall elapse between the time he is required to report on the day preceding his rest days and the time he is required to report for duty on the day following his rest days. These definitions of the term "rest days" will not apply in the case of transfers due to yardmasters exercising seniority.
- (d) Where relief requirements regularly consist of five (5) days work per week, relief yardmaster positions will be established and filled in accordance with Article No. 15.

Where relief requirements regularly consist of four (4) days work per week, relief yardmaster positions providing for four (4) days work per week, may, by agreement with the General Chairman, be established and filled in accordance with Article 15. Employees assigned to such positions will have preference over extra men for available extra work covered by this agreement to the extent of one day per work week.

- (e) A regularly assigned yardmaster transferring from one regular position to another regular position assumes the rest days assigned to the latter position and will be paid straight time for days he actually works on such positions between last assigned rest day of former position and first assigned rest day of new position:

EXAMPLE: A Yardmaster transfers from position having Wednesday and Thursday as rest days to position having Saturday and Sunday as rest days. First day worked on position to which transferred was Monday. He will be paid on straight time basis from Friday of preceding week to and including Friday of current week.

- (f) Nothing in this agreement shall be construed to require the filling of an assignment on the days off of the regularly assigned Yardmaster where the work can be absorbed by other Yardmasters then on duty.
- (g) The days off of extra or unassigned Yardmasters need not be consecutive.
- (h) Any tour of duty worked by an extra or unassigned Yardmaster in the exercise of his rights in another craft or class will not be considered in any way in connection with the application of the provisions of this agreement.
- (i) All existing guarantees shall be reduced to a basis of five days per week. Nothing in this agreement shall be construed to create a guarantee of any number of hours or days of work where none now exists.
- (j) Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees in the same seniority district. Where starting time rules do not appear in individual agreements, none is created by this agreement.

ARTICLE 7 - SENIORITY, ESTABLISHMENT OF (Memorandum of Agreement dated November 15, 1992)

- (a) When candidate yardmasters are needed to protect yardmaster vacancies, notice will be placed on bulletin boards within the respective yardmaster's seniority district for a period of not less than five (5) days commencing from the date of the notice.

SUGGESTED EXAMPLE:

"Notice No. _____

Date _____

To all concerned within yardmaster _____ seniority district:

Applications will be received in my office up to (time) A.M. or P.M. (date), from employees interested in becoming candidate yardmasters, which will lead to establishing a yardmaster seniority date after fulfilling the appropriate ninety (90) day test period.

Such written applications must provide me with the following information:

(Please Print) Make reference to my notice number and date.

Full Name

Address
Phone No.
Craft in which you are presently working
Seniority date
Signature and Current Date

It will be the responsibility of each applicant to know that the application was received in this office.

Officer's Name
Title

- (b) Five days after the closing time of the aforementioned notice applicant(s) will be notified by notice as follows:

SUGGESTED EXAMPLE:

"Notice No. _____

Date _____

"Addressed to all concerned within yardmaster _____ Seniority District:

Referring to my Notice No. _____ dated _____ regarding candidate yardmaster applications.

The following persons have applied:

(List In Seniority Order)

<u>Name</u>	<u>Craft</u>	<u>Seniority Date</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

The following persons are accepted as candidate yardmasters:

Names

Officer's Name

Title _____

cc: UTU-Y General Chairman

- (c) To establish a seniority date as a yardmaster, a candidate yardmaster must serve a test period of ninety (90) actual working days in yardmaster service.
- (d) The Company retains the right to disqualify a candidate yardmaster by giving the candidate a written notice of such disqualification within the ninety-day test period.
- (e) If the candidate yardmaster is permitted to complete the ninety-day test period, the candidate will establish a seniority date as of the date their application as a candidate is accepted pursuant to the date notice is issued in accordance with Section (b) above.
- (f) Where two or more candidate yardmasters acquire seniority as of the same date, their relative seniority rank shall be based upon the length of continuous service with the Company, the employee with the greater period of continuous service to rank ahead of the employee with lesser continuous service.
- (g) A yardmaster shall not thereafter be disqualified for such service, except as provided in Article 23 - Discipline Investigations of this Agreement.
- (h) If a candidate yardmaster does not qualify to protect all yardmaster service within his/her respective territory within six (6) months of being accepted, his/her name will be removed from the roster.

ARTICLE 8 – SENIORITY, DISTRICTS

- (a) Regular, extra unassigned, candidate yardmasters, on the effective date of this agreement holding seniority as such, will retain and continue to accumulate seniority in accordance with the provision of this agreement.

- (b) Yardmaster seniority will be confined to the following seniority districts:

Chicago
Glenwood
Milwaukee
Superior
Twin Cities (St. Paul and Minneapolis)

This Article does not restrict the Carrier from establishing or abolishing yardmaster positions at any location mentioned or not mentioned above.

ARTICLE 9 - SENIORITY FORCE REDUCTION

- (a) Yardmasters affected by force reduction or by the exercise of seniority must within ten (10) days thereafter, if their seniority is sufficient and they are qualified, displace a junior yardmaster in their seniority district. If there are no junior yardmasters whom they can displace, then they will revert to the extra list.
- (b) The exercise of seniority will be governed by Article 13 (a).
- (c) Yardmasters subsequently displaced will have the same rights and obligations as a yardmaster when position is abolished as spelled out in Section (a) above.
- (d) The seniority of any employee whose seniority is established after June 15, 1987, and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.

The "365 consecutive days" shall exclude any period during which a furloughed employee receives compensation pursuant to an I.C.C. employee protection order or an employee protection agreement or arrangement. (June 15, 1987 National Agreement)

ARTICLE 10 - SENIORITY, VOLUNTARY EXERCISE OF

- (a) Between March 1 and March 15, of each year, subject to Article 13(a), Assignment Marking Time, a regularly assigned yardmaster who has been filling a particular assignment for more than sixty (60) calendar days, may initially exercise his seniority over a junior yardmaster holding a regular assignment.
- (b) A regularly assigned yardmaster voluntarily leaving an assignment and displacing a regularly assigned junior yardmaster under this Article will give the designated person in charge of filling yardmaster vacancies, at least 48 hours' notice that he is displacing a junior yardmaster. In turn, the junior yardmaster will

be given 48 hours' notice. Subsequent displacement will be governed by Article 13(a), Assignment Marking Time.

- (c) Junior yardmasters displaced as a result of this rule may subsequently displace another junior yardmaster.
- (d) The Company will in no way be penalized as a result of this Article.
- (e) Time lost resulting from the exercise of seniority rights will not be paid for.
- (f) Regularly assigned yardmasters who are unable to get five straight time starts within 7 days as a result of this rule will be permitted to make up the time on subsequent rest days. The privilege of making up time lost must be exercised on the earliest rest day or days vacancies occur, otherwise the right is forfeited. (Memorandum Of Agreement Dated January 31, 1984)

ARTICLE 11 - SENIORITY - PROTECTING, RELINQUISHING AND FORFEITING

- (a) Extra or unassigned yardmasters will be considered as having applied for all permanent vacancies as they are bulletined and, if the successful applicant, must accept the position and perform service thereon or forfeit their seniority rights as yardmasters. Extra or unassigned yardmasters must protect all yardmaster service for which they are available and qualified or forfeit their seniority rights. A yardmaster will be considered available if he has had eight (8) hours off duty. This does not apply to those on a bona fide leave of absence; those holding official positions with the Company or the UTU-Yardmaster Department; nor to those elected or appointed to public office.
- (b) Yardmasters voluntarily leaving yardmaster service through the exercise of seniority from a yardmaster position to another craft or by written resignation will forfeit all yardmaster seniority rank standing and privileges.
- (c) Duly qualified yardmasters, whose seniority permit, will be required to hold a regular assignment within their respective yardmaster seniority district or forfeit all yardmaster seniority rank standing and privileges.

ARTICLE 12 - SENIORITY LIST

- (a) A seniority list will be prepared for each seniority district showing the seniority date of all yardmasters and a revised seniority roster will be posted in January of each year, copy to be furnished the local and general chairmen. The seniority roster will be dated January 1 of each year and will be shown thereon.

- (b) The roster will be open for correction and it shall stand as final unless proof of error is presented within 60 days of posting. A yardmaster's name erroneously omitted from a seniority roster will be restored to that list and typographical errors will be corrected.

ARTICLE 13 - ASSIGNMENT MARKING TIME

- (a) Yardmasters exercising seniority to assignments, returning to service, will do so between 9:30 A.M. and 10:30 A.M. for the subsequent 24-hour period.
- (b) The yardmaster assignment marking time may be adjusted or changed if agreeable between the designated local Carrier officer and the UTU-Y Local Chairman.
- (c) In the event the local yardmaster assignment marking time is changed, notification must be given to the UTU-Y General Chairman and Assistant Vice President of Labor Relations prior to the effective date of such local understanding.
- (d) It is agreed unassigned yardmasters and candidates will be considered available if they have eight hours or more rest in the terminal where they are accruing yardmaster seniority.
 - 1. Extra or unassigned yardmasters working in road service would be considered available regardless of their tie up time, if they have eight (8) hours or more rest in the terminal where they are accruing yardmaster seniority.
- (e) It is recognized that a candidate or unassigned yardmaster will stand to be called for yardmaster vacancies in the terminal at assignment marking time when he is off duty and has eight hours or more rest prior to the on-duty time of such yardmaster vacancy.
- (f) In the event a vacancy occurs and no unassigned or candidate yardmasters are available, the senior assigned yardmaster requesting extra service *in* writing with eight hours off duty will have preference *in* filling the vacancies.
- (g) In the event there are no yardmasters available with eight hours off duty the yardmaster working in the exact location where the vacancy occurs will be permitted to fill the vacancy.
- (h) An assigned yardmaster used in extra service will be permitted to protect his regular assignment if it is practical to do so for the entire tour of duty.

- (i) When yardmasters are permitted to protect their regular assignment, they will be compensated at the pro rata rate.
- (j) When candidate, extra unassigned and regular yardmasters perform relief or extra yardmaster service, they will take the rates of pay, starting time and conditions of the positions upon which service is being performed.
- (k) Nothing in this Article shall be construed as requiring the Company to fill any position on designated rest days of such positions.

ARTICLE 14 - GUARANTEED EXTRA LIST (Memorandum of Agreement dated October 22, 1998)

- (1) The Company may establish Yardmaster Guaranteed Extra Lists (herein referred to as "GEL") at any terminal consistent with the needs of operation and the need of service.
- (2) When a GEL is to be established or abolished at any terminal the General Chairman will be provided not less than fifteen (15) days advance written notice. In the event of an emergency condition, as defined in the Emergency Force Reduction Rule, advance notice is not required to abolish GEL positions.
- (3) The Company will determine the number of positions to be established and/or maintained on any GEL. The Local Chairperson and the designated Company manager will discuss, not less than once each month, the expected vacancies to be protected from the GEL, so the appropriate adjustments can be made in the number of GEL positions.
- (4) All GEL positions will be considered regular yardmaster assignments. The positions will be bulletined and awarded in accord with the agreement. The successful applicant will be placed on the position no later than midnight of the following calendar day.
- (5) A yardmaster assigned to the GEL must be qualified on all positions protected from the GEL.
- (6) The GEL will fill all temporary vacancies, including vacation vacancies of less than one week. Vacancies of five (5) days or more not filled by a regular yardmaster exercising seniority thereto will be filled by the GEL.
- (7) Yardmasters assigned to a GEL will be called on a first-in, first-out basis, when rested. "Rested" is defined as having eight (8) hours rest from their previous assignment. A GEL yardmaster will not be called for a second shift of work in a calendar day when another GEL or unassigned extra yardmaster is available to be used at the straight time rate.

- (8) The workweek of a GEL position will be seven (7) consecutive days with one assigned rest day and the assigned rest day will be the same day each week. The workweek of GEL positions may have different starting days to insure availability.

The term "calendar day" is defined as a 24-hour period from 12:00 midnight to 12:00 midnight each day.

When a GEL Yardmaster has worked five (5) straight time starts in h/his workweek, work on the 6th and/or 7th day will be paid for at the overtime rate.

- (9) GEL yardmasters will be paid the rate of the assignment worked.

The GEL yardmaster guaranteed daily rate is \$10.00 less than the lowest yardmaster rate in the terminal where established.

Yardmasters holding a GEL position for the entire month will be guaranteed 21.75 times the guaranteed daily rate. Yardmasters holding a GEL position for less than an entire month will have a pro-rated guarantee based on the actual number of days available for service on the GEL.

GEL yardmasters will be paid not less than the lowest yardmaster rate in the terminal for service performed under (15), below.

- (10) All compensation earned by a GEL yardmaster in that month (excluding pay for working time and one-half on a holiday) will be used as an offset to the guarantee for that month.

- (11) GEL yardmasters are required to be available during three (3) daily calling periods. The daily calling periods will commence two (2) hours prior to the earliest designated starting time for jobs on each shift in the terminal and continue until one (1) hour past the latest designated starting time.

A GEL yardmaster who misses a call or lays off during the designated calling periods will be moved to the bottom of the GEL and will have h/his guarantee reduced by one day's pay at the guarantee daily rate for each day unavailable, except as otherwise provided in (12) below.

Calls may be made to the GEL yardmaster outside the designated calling times, but the employee will not be considered as missing a call if not contacted.

- (12) A GEL yardmaster missing two calls or laying off on call on two separate occasions or any combinations thereof in a payroll period will forfeit guarantee for that payroll period. Bereavement leave, jury duty, personal leave or vacation pay will not be counted against the guarantee as a layoff.

- (13) The Company is not required to fill the vacancy of a GEL yardmaster used to fill a temporary vacancy or vacation vacancy.
- (14) A GEL yardmaster assigned to a vacancy of one or more weeks will assume the rest days of that vacancy in lieu of the assigned GEL rest day.
- (15) GEL yardmasters may perform any work for which qualified or can be qualified, provided it enhances the skills, knowledge and ability of yardmasters and/or enhances their understanding of the business.

ARTICLE 15 - BULLETINING OF VACANCIES OF 30 DAYS OR MORE

- (a) New positions or vacancies (other than candidate yardmaster positions covered by Article 7) of thirty (30) days or more duration will be bulletined for a period of 72 hours and assignment made within 72 hours following the expiration of the bulletin to the senior qualified yardmaster making application thereto.

SUGGESTED EXAMPLE:

"Notice No. _____

Date _____

To Yardmasters (Regular and Extra) within yardmaster's _____ Seniority District:

Applicants will be received in my office at _____ for the following yardmaster positions within the yardmaster _____ Seniority District, which will be headquartered at (specific location).

The Position No. is _____.

Assigned work days are (day) through (day).

Assigned working hours are A.M. - P.M. to A.M. - P.M..

Rest days are (day) and (day).

Application opportunities will be closed on (date) at (time).

The senior applicant will be notified of his assignment by subsequent notice.

It will be the responsibility of each applicant to know that the application has been received in this office.

(Signature)

(Title)”

- (b) All regular yardmaster applicants will be shown on the assignment notice in seniority order, extra unassigned and candidate yardmasters will be considered as having applied for the bulletined position.
- (c) In the event no regular yardmasters have applied for the bulletined position, the senior unassigned or candidate yardmaster will be notified personally that he has been assigned a regular position; in addition, an assignment notice will be posted of his appointment.

SUGGESTED EXAMPLE:

"Notice No. _____

Date _____

To all concerned within yardmaster _____ Seniority District:

Referring to my Notice No. (dated) regarding Yardmaster Position No. _____ headquartered at (specific location).

The following persons have applied:

(List in seniority order.)

<u>Name</u>	<u>Seniority Date</u>
_____	_____
_____	_____

(None if no applications are received.)

Therefore, (name) is assigned and will arrange to perform service on such yardmaster position within five calendar days of this date.

cc: UTU-Yardmaster Department General Chairman (and others as needed)”

- (d) The assigned applicant will be required to perform service on the assignment within five (5) calendar days, following the date of the notice of assignment.
- (e) The right of the yardmasters to make application will not be prejudiced when they are not available at the time yardmaster positions are bulletined. Within five (5) calendar days after becoming available, a regular yardmaster may and an extra unassigned or candidate yardmaster must displace any junior yardmaster assigned by bulletin during their absence.
- (f) Any change in rest days will require the assignment to be re-bulletined in accordance with this Article.
- (g) Any change in assigned starting time of two (2) hours or more in the aggregate during a period of six months will require the assignment to be re-bulletined in accordance with this Article.

ARTICLE 16 - TEMPORARY VACANCIES

- (a) Temporary vacancy of less than thirty (30) days including all vacation vacancies will not be bulletined but will be filled as follows:

If the vacancy is known to be of five days or more duration seniority must be exercised commencing with the first day of the vacancy; if the vacancy is not known to be of more than five (5) days duration it will be filled for the first four (4) days by the senior unassigned qualified yardmaster available at the time of the vacancy; after four days seniority may be exercised to the position for the remainder of vacancy.

Note: In the application of this rule an extra man called for the four days will take off the rest day or days of the assignment, and such rest day or days will be included in arriving at the four days. A yardmaster exercising seniority to a temporary vacancy will be required to take off the rest day or days of that position. The carrier will not be required to pay time and one-half nor for lost earnings by reason of yardmasters exercising seniority in accordance with this rule.

- (b) Yardmasters occupying temporary vacancies will, when affected by the return of the regular man, revert to the position or status they enjoyed prior to being assigned to the temporary vacancies, except when their former position would be filled by a senior yardmaster who had exercised seniority rights thereto in accordance with Article 9 (a), in which event the yardmaster being relieved from a temporary vacancy will be permitted to exercise his seniority rights.

ARTICLE 17 - LEAVE OF ABSENCE

- (a) Yardmasters who are absent account of sickness or disability and yardmasters who are on authorized leave of absence, shall retain their rank, standing and rights, under the provisions of this Article.
- (b) Yardmasters serving on authorized Union work, appointed or elected to public office, or working on a Railroad Industry related government position, shall upon request be granted a leave of absence.
- (c) Yardmasters shall not be granted a leave of absence for a period of longer than six months, except when serving on authorized Union work, or as may be required by law, or by special agreements, or in the case of sickness of a member of such yardmaster's immediate family.
- (d) Yardmasters who are absent more than six months on account of sickness or injury, or sickness of a member of his immediate family, in order to retain seniority must furnish the Company with his current address and upon request of either the Company or the General Chairman, furnish a doctor's report of his condition or the condition of a member of his family.
- (e) In the application of this Article, an employee on leave of absence on account of sickness or sickness of a member of his immediate family, shall, upon request of the General Chairman or Company, arrange and obtain physical examination by Company designated physician at the employee's expense to show that he must continue on leave of absence on account of such sickness. Failure of the employee to properly protect his seniority under this provision will be cause for automatic forfeiture of seniority.
- (f) All requests for a leave of absence for a period of more than thirty (30) days must be in writing and, if granted, it shall be in writing with a copy to the General Chairman and Assistant Vice President of Labor Relations.

ARTICLE 18 - RETURNING FROM LEAVE OF ABSENCE

Yardmasters absent from the service account sickness, committee work, leave of absence or those promoted to official positions, in returning to service as a yardmaster, may return to his former position if it has not been abolished or taken by a senior employee through exercise of seniority displacement rights or may, within forty-eight (48) hours after reporting for duty, exercise seniority rights on any position bulletined during his absence. If his former position has been abolished or taken by a senior employee through exercise of seniority displacement rights, he may displace any yardmaster his junior. Yardmasters thereby affected may exercise their seniority in the same manner.

ARTICLE 19 - PROMOTED TO OFFICIAL POSITIONS

- (a) Yardmasters who are promoted to an official position by the Railroad Company, or employed as a salaried full-time Union representative, will retain their seniority service, rights, ranks, and privileges applicable thereto.
- (b) In the event of failure to satisfactorily fill the position or desire to return to the service from which promoted, they may do so, provided they meet the physical requirements of the service.
- (c) Yardmasters on leave of absence to take a position representing the interests of the Railroad Company or the Union, will combine the length of service accrued while working in the position representing the interests of the Railroad Company or the Union with his years of service as an employee and will receive vacation credits under the provisions of the Vacation Agreements.
- (d) Maintenance of membership. A Yardmaster promoted to a non-contract position with Canadian Pacific Railway or its wholly owned subsidiaries prior to the March 8, 2005 Soo/UTU-Y Agreement, shall retain and accumulate seniority in the seniority district from which promoted or assigned. A Yardmaster promoted on or after the March 8, 2005 Soo/UTU-Y Agreement, shall be subject to the Maintenance of Membership requirements of the Union Shop Agreement in order to retain and accumulate Yardmaster seniority.

ARTICLE 20 - JURY DUTY AND COURT ATTENDANCE

- (a) When a regularly assigned yardmaster is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:
 - 1. A yardmaster must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.
 - 2. The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.
 - 3. No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.
 - 4. When a yardmaster is excused from railroad service account of jury duty, the Company shall have the option of determining whether or not the

yardmaster's regular position shall be blanked, notwithstanding the provisions of any other rules.

(Amended by October 31, 1978 National Agreement)

(b) Regularly assigned yardmasters attending court or inquests under the instructions of the Management will be paid the same as though they had remained on their regular assignments, and, in addition thereto, will be allowed necessary actual expenses when away from home.

1. Actual time allowed during court or inquest on a regular yardmaster's assigned rest day will be paid at the punitive rate.

ARTICLE 21 – BEREAVEMENT LEAVE (Memorandum of Agreement dated September 3, 1991 – Amends Memorandum No. 3 of Yardmaster’s Agreement)

Bereavement Leave, not in excess of three calendar days, following the date of death, will be allowed in case of death of an employee’s brother, sister, parent, child, grandchild, spouse or spouse’s parent. In such cases a minimum basic day’s pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provisions for taking leave with their supervising officials in the usual manner. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this provision.

ARTICLE 22 - PERSONAL LEAVE DAYS (From January 22, 1982 Memorandum of Agreement) (March 8, 2005 Soo/UTU-Y Agreement)

(a) Yardmasters shall be provided Personal Leave Days at the rate of their current assignment in a calendar year after completion of the specified continuous years of service with the Carrier and having qualified for a Yardmaster vacation in the previous year:

<u>Calendar Years of Continuous Service</u>	<u>Personal Leave Days</u>
8	1
17	2
20	3

(b) Personal leave days provided in Section 1 may be taken upon 48 hours’ advance notice from the employee to the proper carrier officer provided, however, such days may be taken only when consistent with the requirements of the carrier’s service. It is not intended that this condition prevent an eligible employee from

receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.

- (c) The personal leave days provided in Section 1 shall be forfeited if not taken during each calendar year. The Company shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The Company will have the right to distribute work on a position vacated among other employees covered by the agreement.

ARTICLE 23 - DISCIPLINE - INVESTIGATIONS

- (a) When charges are made against any employee, they shall be put in writing, conveying clearly to the accused the nature of the offense of which he is charged. There shall be no citation of rules in the investigation notice. It shall be the obligation of the Company to deliver the said written notice of investigation to the accused either by U.S. Mail or by the Company's own messenger. Telephone messages are not acceptable under this Article.
- (b) The proper officer of the Company will hear any reasonable complaint made by an individual employee, or any complaint made by the authorized committee of the UTU-Y representing same, provided due notice shall be given the Company in writing of the subject of complaint, and a special appointment made as to time and place same shall be considered.
- (c) Employees continued in service or not censured pending an investigation of an alleged offense shall be notified within seven days after a Company Officer having authority to order an investigation has information of the offense of the charges pending. Within seven days thereafter, an investigation shall be held, and a decision shall be rendered within ten days after the investigation.
- (d) Except as herein provided, an employee will not be held out of service prior to a fair and impartial investigation and subsequent written decision as provided by this Article, except for the following causes:
 - 1. Violation of Rule "G" of the Consolidated Code of Operating Rules, or
 - 2. Theft, or
 - 3. Conduct in the performance of his job threatens the safety of other employees or interferes with the operation of the railroad.

Any employee held out of service contrary to the provisions of this Paragraph (d) shall be paid for time lost on the job from which removed for time so held out of service.

- (e) Investigations are to be held in accordance with the provisions of Paragraph (c) of this Article. The Company will arrange to have present as witnesses those employees who are known or can reasonably be expected to know facts material to the subject matter of the investigation. The Company will notify any employee whom the man under charge or his representative desires as witnesses. In the event that it develops, during the course of the investigation, that there are employees who have knowledge of facts material to the subject under investigation who are not present, the employee charged or his representative may make request for such witnesses, stating what is expected to be developed from their testimony. Recess of the investigation will be granted unless it is obvious that the request for the recess is only made for the purpose of delaying the investigation. Where the employee charged or a material witness is unable to attend because of sickness or injury, the investigation may be deferred until such time as the employee charged or material witness is able to attend the investigation.
- (f) Employees shall have the right to be present and represented at investigations with one or more duly accredited representatives of the UTU-Y, who shall have the right to hear all oral and read all written testimony, and to bring out any facts in connection with the case. Only one of such representatives shall have the right to interrogate witnesses.
- (g) Except as to records or documents or copies thereof which have been notarized, no oral or written statements or testimony taken at any time or place other than during the investigation will be recorded in the transcript, nor will it be considered as evidence by reviewing agencies, unless the person or persons, making such oral or written statement is present at the investigation to testify that the statement made is his, and the signature, if any, or the written statement is his, thereby giving either the Company's representative or Employees' representative an opportunity to interrogate such witness.
- (h) True and correct stenographic records will be taken at all investigations held under this Article and a complete transcript of all proceedings in all cases shall be given to the representative upon request. The General Chairman of the UTU-Y may have his own stenographer at any investigation if he so desires. In the event a question arises concerning the transcript of testimony, that taken by the Company's stenographer will be official transcript.

NOTE: It is understood the above also applies with respect to Safety Rules violations.

- (i) Objections and the reasons therefore will be recorded in the transcript. The officer conducting the investigation will render a ruling and the reason therefore on the objection at the time.
- (j) Investigations will not be conducted for more than six (6) hours in a calendar day exclusive of short recesses which will be granted.
- (k) When possible, efforts will be made to hold investigations at a time and place which will be convenient for the man involved. A reasonable postponement will be granted when necessary to arrange for a representative of the employee's choice.
- (l) The contents of the investigation transcript will be the basis for assessing discipline. Neither the officer conducting the investigation nor reviewing agencies may consider evidence not obtained in accordance with Paragraph (g) of this Article. If the testimony adduced at the investigation fails to sustain the specific charges which were preferred, the employee under investigation shall be exonerated.
- (m) If discipline is assessed a reasonable explanation will be given based on the contents of the investigation transcript.
- (n) In case the suspension, dismissal, or record entry is found to be unjust, the employee involved shall have the entry removed from his record and, if suspended or dismissed, he shall be reinstated and paid for all time lost.
- (o) Any suspension assessed against an employee shall be regarded as effective from the first day held out of service.
- (p) Employees required to attend investigations, who are not at fault, will be paid for time lost. If required to leave their terminal to attend an investigation and they are found not to be at fault, and no actual time was lost, they shall be paid one minimum day for each calendar day involved, at their established rates of pay.
- (q) Employees required to attend investigations or act as witnesses on their layover days or rest days, where they are not at fault, will be paid for the time so held with a minimum of two hours at their established straight time rates of pay.

ARTICLE 24 – ABOLISHMENTS/ANNULMENTS

In the event the Company decides to abolish a yardmaster position, the Company will notify the incumbent thereof by bulletin notice five (5) working days in advance of the effective date of abolishment. A copy of the bulletin will be furnished the General Chairman and whenever reasonably possible, by telephone too.

- (a) In the event a yardmaster assignment is annulled for 14 days or less the effected regularly assigned yardmaster will be permitted to exercise seniority to train service (without altering in any way his yardmaster seniority standing) or to another regular yardmaster position.
- (b) When the annulled yardmaster position is reinstated the employee owning the position, i.e., assigned to the annulled position at the time of annulment, must immediately return to such position on the first working day rested in the home term.
- (c) The regularly assigned yardmasters who are unable to get five straight time starts within 7 days of their work week, through no fault of their own, as result of the exercise of seniority from one assignment to another, due to an annulment will be permitted to make up the time on the subsequent rest days.
- (d) In all cases the privileges of making up time lost must be exercised on the earliest rest day or days vacancies occur, otherwise the right is forfeited.
- (e) Annulments in excess of 14 days will be considered same as an abolishment. Affected yardmasters will then be required to exercise seniority to an available regular yardmaster's position in order to protect his yardmaster standing. Nothing in this Agreement shall affect existing rights of either party in connection with abolishing yardmaster positions. (Amended by Memorandum of Agreement dated January 22, 1982 and MOA dated December 16, 1975.)

ARTICLE 25 - TIME LIMIT - GRIEVANCES

- (a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the designated officer of the Company authorized to receive same, within 90 calendar days from the date of the occurrence on which the claim or grievance is based.
- (b) Should any such claim or grievance be disallowed, the Company shall, within 90 calendar days from the date same is filed, notify the employee or his representative of the reasons for such disallowance. If not so notified, the claim or grievance shall be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances.
- (c) A disallowed claim or grievance that is to be appealed to the highest designated officer, such appeal must be taken within 90 calendar days from receipt of notice of disallowance, and the representative of the Company shall be notified within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a

precedent or waiver of the contentions of the employees as to other similar claims or grievances.

- (d) It is understood that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the 90 calendar day period for either a decision or appeal, up to and including the chief officer of the Company designated for that purpose
- (e) All claims or grievances involved in a decision by the highest officer shall be barred unless within 6 months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the 6 months' period herein referred to.
- (f) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than 90 calendar days prior to the filing thereof. with respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.
- (g) This rule recognizes the right of representatives of the Organization, party hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.
- (h) This rule shall not apply to requests for leniency

ARTICLE 26 - COMPENSATION FOR USE OF PRIVATELY OWNED AUTOMOBILE

A yardmaster who, by direction of the Company, uses his own automobile in the performance of his duties will be compensated for such use at the prevailing rate established by the Company.

ARTICLE 27 – RE-EXAMINATION ON RULES (MOA dated July 17, 1974)

Yardmasters who are required by the Company to attend re-examination on rules will be compensated therefore at the straight time rate of the last service performed for the actual time required to be present, computed from the time to report until released.

The above provisions are not applicable in connection with re-examination on rules following return to service after absence from service for any reason.

The payment provided herein will not apply to any period of time for which the yardmasters otherwise receive compensation.

ARTICLE 28 – PHYSICAL EXAMS (MOA – July 17, 1974)

Yardmasters will be allowed ¼ day's pay at the straight time rate of last service performed when required to take biennial physical re-examination.

This agreement will not apply to physical examinations required and taken for any other reason during such two-year period.

ARTICLE 29 – HOLIDAYS

Section 1

Yardmasters shall be paid at the rate of time and one-half for working on any of the following enumerated holidays, in addition to their regular pay:

New Year's Day	Thanksgiving Day
President's Day	Day after Thanksgiving Day
Good Friday	Christmas Eve Day
Memorial Day	Christmas Day
Fourth of July	New Year's Eve Day
Labor Day	

Section 2

Under no circumstances will a yardmaster be allowed more than one time and one-half payment for service performed by him on any day, whether it is a work day, a rest day, or a vacation day, which also is a holiday. It is understood that this provision will not modify or cancel any existing rules which provide for payment at the rate of time and one-half for service over eight hours.

Section 3

In instances when a recognized holiday, or the day such holiday is observed by the State or nation, falls on an assigned work day of a regular yardmaster assignment, the Company shall have the right to blank such position on that day and the yardmaster then holding such assignment shall be paid for that day on the basis of his regular straight time rate of pay, provided he does not render other compensated service for the railroad during the hours of such yardmaster assignment. If any work of such position is performed by other than the incumbent on the shift on which it is blanked, it shall be performed in accordance with existing schedule rules.

Section 4

When any of the holidays enumerated in Section I hereof falls on a rest day of a regularly assigned yardmaster, he shall receive, in addition to his regular pay, one day's pay at the straight time rate of his regular position, provided he fills his regular position on the last workday immediately preceding and on the first workday immediately following the holiday falling on a rest day. A regularly assigned relief yardmaster who qualifies for pay for a holiday falling on a rest day in accordance with the foregoing shall be paid at the straight time rate of the position he filled on the last workday immediately preceding the holiday falling on a rest day. In addition to the one day's pay at the straight time rate for the rest day holiday herein provided, if a regular yardmaster works as yardmaster on his rest day he shall be entitled to one time and one-half payment for service performed by him pursuant to Section 3 hereof.

Section 5

When any of the holidays enumerated in Section I hereof falls during a regularly assigned yardmaster's vacation period, he shall receive, in addition to his regular pay, one day's pay at the straight time rate of his regular position, provided he fills his regular position on the last workday immediately preceding and on the first workday immediately following his vacation period. A regularly assigned relief yardmaster who qualifies for pay for a holiday falling during his vacation period in accordance with the foregoing shall be paid at the straight time rate of the position he filled on the last workday immediately preceding his vacation period.

Section 6

The rest day holiday and vacation holiday pay provided by Section 4 and 5 shall not apply to extra yardmasters, or to regularly assigned yardmasters who may be eligible for holiday pay falling on a rest day or during a vacation period pursuant to other schedule agreements.

ARTICLE 30 – QUALIFICATION/TRAINING PAY (March 8, 2005 Soo/UTU-Y Agreement)

Section 1 – Training when displaced

- (a) Yardmasters who are displaced and therefore exercise seniority to a position will be paid for training as provided below:
 - (i) Up to five (5) days training will be paid on a position that has been previously worked,
 - (ii) Up to fifteen (15) days training will be paid on a position that has never been previously worked.
- (b) The number of paid training days provided in this paragraph will be assigned by local Carrier officers pursuant to (i) and (ii). Any increases in the number of

training days will be made by mutual agreement between the General Chairman and local Carrier official.

Note: The preceding is not meant to apply in the circumstance of an Yardmaster exercising seniority to a different shift on the same position.

Section 2 - Training

- (a) When additional Yardmasters are required, the Carrier will advertise the number of opportunities by bulletin.
- (b) Applicants for Yardmaster training will be selected by the Carrier.
- (c) The duration and nature of the training will be determined by the Carrier.
- (d) Employees selected for Yardmaster training will be compensated for each day of classroom training at 90% of the lowest yardmaster rate at the location. For on-the-job training, compensation will be at 90% of the job upon which training is being performed. Unless otherwise mutually agreed between the parties, training will be limited to forty (40) hours per week and will consist of classroom and/or on-the-job training.
- (e) Yardmasters, including Substitute and Unassigned Yardmaster, who are assigned by the Carrier to train or teach another Yardmaster (on the job) will be allowed an additional hour at the pro rata rate of their position for each day so assigned. In consideration of the one-hour payment, Yardmasters will be expected to complete a Student Assessment Form providing a good faith evaluation of the student's abilities and progress. In addition, the Yardmaster should have a meaningful constructive feedback session with the student at the end of the shift.
- (f) A Yardmaster, including an unassigned or GEL Yardmaster, may be held off his regular position at the discretion of the Company in order to attend a training course, including classroom and/or on the job training which will provide additional and/or supplemental training in order to improve his Yardmaster skills and/or train him for another position. Regularly assigned Yardmasters attending training outlined herein will be paid at the straight time Yardmaster's rate of the job held.
- (g) Yardmasters who are required to attend a Training session, Skills Update session, Safety class, etc., on an assigned rest day will be compensated in the following manner:
 - a. For a class or session scheduled for four hours or less, eight hours straight time at the rate of the Yardmaster's position.

- b. For a class or session scheduled for more than four hours, eight hours at the overtime rate at the rate of the Yardmaster's position.

In the event a class or session is scheduled for longer than eight hours, Yardmasters will continue to be compensated at the overtime rate.

ARTICLE 31 – TRAINING CLASSES, ETC.

- (a) A Yardmaster may be required to participate in a class or other session prior to or immediately following, but continuous with his tour of duty. Should this occur, the total time comprehended by the class or session, waiting time, and the tour of duty may not exceed 12 hours.
- (b) Compensation when participating in a class or session as described above will be eight (8) hours at the straight time rate and time and one-half for all time after 8 hours.
- (c) It is understood that a Yardmaster will be provided 8 hours rest before the next tour of duty if required to attend a class or session held before or after, but contiguous with his regular Yardmaster's tour of duty.

ARTICLE 32 - NON-DISCRIMINATION

It is the policy of the Carrier and the UTU-Y that the provisions of this agreement be applied to all employees covered by said agreement without regard to race, creed, color, age, sex, national origin, or physical handicap except in those cases where a bona fide occupational qualification exists.

It is understood that the masculine terminology included herein is for the purposes of convenience only and does not designate sex preference.

ARTICLE 33 - AGREEMENT DURATION

- (a) This agreement shall become effective November 1, 2005, and shall remain in full force and effect until revised in accordance with the provisions of the Railway Labor Act, as amended.
- (b) It is also agreed that the parties will be governed by a savings clause; i.e., that all misprints, errors, unintentional omissions, or other agreements not amended will be governed by the original documents as were in effect before the codification of this Agreement.

Signed at Minneapolis, Minnesota this 14th day of November, 2005

FOR THE:
UNITED TRANSPORTION UNION -
YARDMASTER DEPARTMENT

FOR THE:
SOO LINE RAILROAD COMPANY

Richard W. Miller
Richard W. Miller, General Chairman

Cathryn S. Frankenberg
Cathryn S. Frankenberg, AVP
Labor Relations & Human Resources

APPENDIX NO. 1

NATIONAL VACATION AGREEMENT

The following represents a synthesis in one document, of the National Vacation Agreement of January 1, 1965 between certain Eastern, Western and Southeastern Carriers and their yardmasters represented by the Railroad Yardmasters of America and the amendment made thereto effective January 1, 1967.

This is intended as a guide and is not intended to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any vacation provision, the terms of the appropriate vacation agreement shall govern.

On carriers where Agreement "A", dated November 2, 1950, as amended, or its equivalent is in effect:

Section 1 (a) (1)

An annual vacation of two weeks (10 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred ten (110) days during the preceding calendar year.

Section 1 (a) (2)

An annual vacation of three weeks (15 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has eight or more years of continuous service with the employing carrier. (Amended by Article 11- Vacations - of 11-29-67 Agreement.) (Amended by January 22, 1982 Agreement)

Section 1 (a) (3)

An annual vacation of four weeks (20 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has seventeen or more years of continuous service with the employing carrier. (Amended by January 22, 1982 Agreement)

Section 1 (a) (4)

An annual vacation of five weeks (25 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred (100) days during the preceding calendar year and who at the beginning of the vacation year has twenty-five or more years of continuous service with the employing carrier.

On carriers where Agreement "A", dated November 2, 1950, as amended, or its equivalent is not in effect:

Section 1 (b) (1)

An annual vacation of two weeks (12 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred thirty-two (132) days during the preceding calendar year.

Section 1 (b) (2)

An annual vacation of three weeks (18 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred twenty (120) days during the preceding calendar year and who at the beginning of the vacation year has ten or more years of continuous service with the employing carrier. (Amended by Article II - Vacations of 11-29-67 Agreement 0)

Section 1 (b) (3)

An annual vacation of four weeks (24 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred twenty (120) days during the preceding calendar year and who at the beginning of the vacation year has twenty or more years of continuous service with the employing carrier.

Section 1 (b) (4)

An annual vacation of five weeks (30 working days) with pay will be granted, subject to the conditions set forth in Section 2, to each yardmaster who rendered compensated service as yardmaster on not less than one hundred twenty (120) days during the preceding calendar year and who at the beginning of the vacation year has twenty-five or more years of continuous service with the employing carrier.

On all carriers:

Section 1 (c)

Calendar days in each current qualifying year on which a yardmaster renders no service as such because of his own sickness or because of his own injury shall be included in computing days of compensated service for vacation qualification purposes on the basis of a maximum of 10 such days for a yardmaster with less than three years of continuous service with the employing carrier, a maximum of 20 such days for a yardmaster with three but less than fifteen years of continuous service with the employing carrier and 30 such days for a yardmaster with fifteen or more years of continuous service with the employing carrier, provided that no calendar day on which a yardmaster was credited with any compensation under sick leave rules or practices shall be included under this Section 1 (c) .The maximum number of such days that may be claimed by any individual in any calendar year under this and other schedule agreements shall not exceed a total of 10, 20 or 30 days, respectively.

Section 1 (d)

In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacation for which they may qualify upon their return to the service of the employing carrier.

Section 1 (e)

In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967 as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under Sections 1 (a) (1) , 1 (a) (2) , 1 (a) (3) or 1 (a) (4) , or 1 (b) (1) , 1 (b) (2) , 1 (b) (3) or 1 (b) (4) , and 1 (d) hereof.

Section 1 (f)

In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in

the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under Sections 1 (a) (1) , 1 (a) (2) , 1 (a) (3) or 1 (a) (4) , or 1 (b) (1) , 1 (b) (2) , 1 (b) (3) or 1 (b) (4) , and 1 (d) hereof.

(Note to Sections 1 (a), 1 (b) and 1 (c): A shift which extends from one calendar day into another shall be counted as one day in computing the number of qualifying days referred to above.)

Section 2 (a)

Local officers of the carrier "and local committees of the organization will cooperate in assigning vacation dates, giving due regard to business conditions, availability of a relief employee and to the desires and preferences of the yardmasters in seniority order.

Section 2 (b)

(1) When vacations are afforded

An employee qualifying for a vacation, or pay in lieu thereof, under the Yardmaster Agreement Rules will be paid for each week (five work days) of such vacation 1/52 of the total compensation earned by such employee as a Yardmaster and that of any other craft position during the calendar year preceding the year in which the vacation is taken.

(2) When vacations are not afforded

If a vacation is not afforded, payment in lieu thereof will be made not later than the first payroll period in January of the following year, computed on the following basis:

An employee qualifying for a vacation, or pay in lieu thereof, under the Yardmaster Agreement Rules will be paid for each week (five work days) of such vacation 1/52 of the total compensation earned by such employee as a Yardmaster and that of any other craft position during the calendar year preceding the year in which the vacation is taken.

Section 2 (c)

A yardmaster who performs service as yardmaster on any day of his assigned yardmaster vacation period will be paid for such service at time and one-half rather than straight time in addition to vacation pay provided in Section 2 (b).

Section 2 (d)

Vacations, or allowances therefor, under two or more schedules held by different organizations on the same carrier shall not be applied to create a vacation, or allowance therefor, of more than the maximum number of days provided for in either of such schedules.

Section 2 (e)

The vacation provided for in this agreement shall be considered to have been earned when the yardmaster has qualified under Section 1 hereof. If his employment status is terminated for any reason whatsoever including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough, he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the yardmaster has qualified therefor under Section 1. If a yardmaster thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

Section 2 (f)

Vacations shall not be accumulated or carried over from one vacation year to another.

Section 3

Except as otherwise provided herein, this vacation rule shall be effective as of January 1, 1973 and shall be in full force and effect for a period of one year from January 1, 1973, and continue in effect thereafter, subject to not less than seven months' notice in writing (which notice may be served in 1973 or in any subsequent year), by any carrier or the organization party hereto, of desire to change this rule as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective Parties shall thereafter be negotiated and progressed concurrently to a conclusion. When such notice is served, the proceedings shall be under the provisions of the Railway Labor Act.

APPENDIX NO. 1-A
AGREEMENT
BETWEEN THE
UNITED TRANSPORTATION UNION – YARDMASTER DEPARTMENT
AND THE
SOO LINE RAILROAD COMPANY

This agreement is to permit regularly assigned yardmasters to split vacations on a weekly basis.

It is agreed:

- A. The Company will assume no additional expense in granting vacations as a result of this understanding.
- B. A division manager or his representative will make a determination of the need for employees to cover “requirements of the service” for each week during the year based on historical data; also, the total number of vacation weeks that must be granted, will be determined.
- C. Assigned vacation periods are to be started at the beginning of a vacation year and continue through that year in weekly periods.
- D. Subject to the National Vacation Agreement, the UTU-Y Local Chairman may decide how seniority will be applied and the Local Chairman will be permitted to distribute vacation periods based on seniority, provided that the number of vacations at any one time does not exceed the number established under provisions of Section B of this understanding.
- E. Regular yardmasters entitled to more than one week of vacation may divide their vacation into weekly increments. Each increment is to consist of one full week or a multiple thereof commencing with the first day following their rest days.

In making selections for split vacations, a yardmaster may choose all his vacation on the basis of his seniority unless otherwise agreed to by and between the UTU-Y Local Chairman and local carrier officer within a given seniority district. Such agreements must be in writing and approved by

the UTU-Y General Chairman and the Assistant Vice President of Labor Relations.

- F. Once the vacation roster has been established it should, if at all possible, be followed and the employee may be required to take vacation during the period or periods assigned to him.
- G. Changes in assigned vacation may be allowed when necessary as follows:
 - 1. If a yardmaster has an emergency situation develop, such as sickness or injury, which makes it mandatory for him to be absent, he may claim such periods in full week increments with the concurrence of the Local Chairman and local Carrier officer.
 - 2. A regularly assigned yardmaster required to attend National Guard or military service training periods or called for jury duty at a time other than his scheduled vacation period will be permitted to have his vacation period changed to coincide with such absence on the basis of weekly increments. The local Carrier officer and UTU-Y Local Chairman must be given advance notice before such changes can be made.

This agreement is effective March 1, 1980 and is subject to cancellation by either party signatory hereto after 20 days' written notice is served upon the other.

/s/ Paul C. Mertens
General Chairman – UTU-Y

/s/ V. W. Merritt
Assistant Vice President –
Labor Relations

APPENDIX NO. 1-B

Article IV – Soo/UTU-Y Agreement of October 22, 1998

Section 1

The intent of the following provision is to permit an employee to utilize one week of vacation in single day increments for personal reasons.

Existing rules and procedures governing vacations are amended, effective January 1, 1999, to provide that a yardmaster entitled to at least one week of vacation under the yardmaster agreement may elect, at the time vacations for the subsequent calendar year are scheduled, to split one (1) week of vacation on a one or more days at a time basis. When vacations are scheduled for the subsequent year, the yardmaster must indicate h/his intent to split a week of vacation in single day increments.

Such vacations must be scheduled not less than forty eight (48) hours in advance with the employee's supervisor and will be granted consistent with the requirements of the operation. The Company will not be required to grant the request if the vacancy must be filled at the overtime rate. It is understood that consideration will be given to personal or family emergencies. Single day vacations will be allowed on a first-come, first served basis.

On September 1st of each year, the employees who have elected to split one week of vacation will be advised in writing that they have unused days remaining and will be informed that they must schedule these days no later than October 1.

Immediately thereafter, the local committee and the local managers will meet to review the outstanding days and schedule the dates for those who have failed to do so themselves.

In the event circumstances do not allow for a yardmaster to take all single day vacation days, the yardmaster will be entitled to payment in lieu thereof, and will be paid no later than the first pay period following the end of the year.

Section 2

This Article is not intended to restrict any of the existing rights of the Company except as specifically provided herein.

Questions & Answers

Q-1: Can the employee elect to take vacation in periods of two (2), three (3), or four (4) days, rather than a single day increments?

A-1: Yes.

Q-2: If an employee observes a single day of vacation and subsequently becomes ill so as to be unable to work the next day, what must he/she do?

A-2: The employee should follow the established procedure for marking off sick.

Q-3: Are the employee's obligations under existing rules and practices with respect to protecting service on his assigned off/rest days changed if the employee observes a single day of vacation immediately prior to such off/rest day?

A-3: No.

Q-4: May an employee request a single day of vacation to be taken immediately following a day where he/she was off sick or observing a personal leave day?

A-4: Yes.

APPENDIX NO. 2

A G R E E M E N T

This Agreement made this Fifteenth day of January, 1953, by and between the Chicago, Milwaukee, St. Paul & Pacific Railroad Company, and the employes thereof represented by the Railway Labor Organizations signatory hereto, through the Employes' National Conference Committee; Seventeen Cooperating Railway Labor Organizations witnesseth:

IT IS AGREED

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employes of the carrier now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class within sixty calendar days of the date they first perform compensated service as such employes after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days within a period of twelve consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This agreement shall not apply to employes while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employes who are subordinate to and report to other employes who are covered by this agreement. However, such excepted employes are free to be members of the organization at their option.

Section 3.

(a) Employes who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employes return to any service covered by the

said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

(b) The seniority status and rights of employes furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-service men shall not be terminated by reason of any of the provisions of this agreement but such employes shall, upon resumption of employment, be considered as new employes for the purposes of applying this agreement.

(c) Employes who retain seniority under the rules and working conditions agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this section, are not in service covered by such agreements, or leave such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employes return to any service covered by the said rules and working conditions agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employes who retain seniority under the rules and working conditions agreements of their class or craft, who are members of an organization signatory hereto representing that class or craft and who in accordance with the rules and working conditions agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employes hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4.

Nothing in this agreement shall require an employe to become or to remain a member of the organization if such membership is not available to such employe upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employe is denied or terminated for any reason other than the failure of the employe to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employes in the same status at the same time in the same organizational unit.

Section 5.

(a) Each employe covered by the provisions of this agreement shall be considered by a carrier to have met the requirements of the agreement unless and until such carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered Mail, Return Receipt Requested, or by Personal delivery evidenced by receipt, of any employe who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the individual railroad and the organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the carrier will, within ten calendar days of such receipt, so notify the employe concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employe shall be given the organization. An employe so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employe in writing with copy to the organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employe concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employe has complied with the terms of this agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employe and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employe has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Condition Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employe or to the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of the carrier designated to handle appeals under this agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employe and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employe has not complied with the terms of this agreement, his seniority and employment under the Rules and the Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employe involved requests the selection of a neutral person to decide the dispute as provided in Section 5 (c) below. Any request for selection of a neutral person as provided in Section 5 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the carrier designated to handle appeals under this agreement the organization or the employe involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the carrier designated to handle appeals under this agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employe involved or his representative. If they are unable to agree upon the selection of a neutral person anyone of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employe involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employe, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employe is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employe's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employe.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a carrier and the organization will not apply to cases arising under this agreement.

(f) The General Chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the General Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

(g) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this agreement to the contrary notwithstanding, the Carrier shall not be required to terminate the employment of an employe until such time as a qualified replacement is available. The carrier may not, however, retain such employe in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the organization in cases where the employe does not request a hearing. The employe whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employe may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization involved.

Section 7.

An employe whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this agreement is that an employe's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employes based upon an alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employe may be restored to service pursuant to judicial determination. During such periods, no

provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employe against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or non-compliance with any provision of this agreement. If the final determination under Section 5 of this agreement is that an employe's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employes based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

Section 8.

In the event that seniority and employment under the Rules and Working Conditions Agreement is terminated by the carrier under the provisions of this agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this section shall not apply to any case in which the carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such carrier acts in collusion with any employe; provided further, that the aforementioned liability shall not extend to the expense to the carrier in defending suits by employes whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 9.

An employe whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employe relationship for vacation purposes.

Section 10.

(a) The carrier party to this agreement shall periodically deduct from the wages of employes subject to this agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate: Provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employe until he shall have furnished the carrier with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this agreement whichever occurs sooner.

(b) The provisions of subsection (a) of this section shall not become effective unless and until the carrier and the organization shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No.98, agree upon the terms and conditions under which such provisions shall be applied; such agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deductions now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11.

This agreement shall become effective on February 16, 1953, and is in full and final settlement of notices served upon the carrier by the organizations, signatory hereto, on or about February 5, 1951. It shall be construed as a separate agreement between the Chicago, Milwaukee, St. Paul & Pacific Railroad Company, and those employes represented by each of the organizations signatory hereto. This agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT CHICAGO, ILLINOIS THIS FIFTEENTH DAY OF JANUARY, 1953.

FOR THE CARRIER:

/s/ C. P. Downing

Assistant to Vice President - Personnel

EMPLOYEES' NATIONAL CONFERENCE
COMMITTEE, SEVENTEEN COOPERATING
RAILWAY LABOR ORGANIZATIONS:

/s/ G. E. Leighty
Chairman

Railway Employees' Department,
A.F.ofL.

/s/ Michael Fox
President

International Association of
Machinists

/s/ Earl Melton
General Vice President

/s/ Oscar G. Remy
General Chairman

Sheet Metal Workers International Assn.

/s/ C. D. Bruns
General Vice President

/s/ Arthur H. Sweitzer
General Chairman

International Brotherhood of Electrical
Workers

/s/ J. J. Duffy
International Vice President

/s/ H. Claypatch
General Chairman

International Brotherhood of
Boilermakers, Iron Ship Builders
& Helpers of America

/s/ Chas. J. MacGowan
International President

/s/ John Lo Pries
General Chairman

International Brotherhood of
Blacksmiths, Drop Forgers and
Helpers

/s/ John Pelklofer
General President

/s/ Arthur L. Kahn
General Chairman

Brotherhood of Railway Carmen of
America

/s/ Irvin Barney
General President

/s/ Peter J. Moch
General Chairman

International Brotherhood of Firemen
Oilers, Helpers, Roundhouse & Railway
Shop Laborers

/s/ Anthony Matz
President

/s/ William Piek
General Chairman

APPENDIX NO. 3

DUES DEDUCTION AGREEMENT BETWEEN THE SOO LINE RAILROAD COMPANY AND EMPLOYEES REPRESENTED BY THE UNITED TRANSPORTATION UNION – YARDMASTER DEPARTMENT

The United Transportation Union – Yardmaster Department (hereinafter called the "Union") has requested that the Soo Line Railroad Company (hereinafter called the "Carrier") withhold and deduct from the wages of such of its yardmaster employees who are members of the Union, monthly membership dues, initiation fees, assessments and insurance premiums and to pay over to the Union the amounts so deducted and withheld, less amounts provided for by Section 4.

Section I. Subject to the terms and conditions of this agreement, the Carrier shall periodically deduct and withhold from the wages of the employees subject to this agreement, who acquire and maintain membership in the Union, amounts equal to the monthly membership dues, initiation fees, assessments and insurance premiums (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Union and shall pay the amount so deducted and withheld to the designated Treasurer of the various local lodges of the Union; provided, however, that this requirement shall not be effective with respect to any individual employee until the Carrier shall have been furnished with a written wage assignment authorization to the Union of such membership dues, initiation fees, assessments and insurance premiums, which wage assignment authorization shall be revocable in writing after the expiration of one year from the date of its execution, or upon the termination of this agreement, or upon the termination of the Rules and Working Conditions Agreement between the parties hereto applicable to yardmasters, whichever occurs sooner.

The wage assignment authorization shall be in the form attached hereto and identified as Attachment "A" which by this reference is made a part hereof, and show all information called for.

The revocation of the wage assignment authorization shall be in the form attached hereto and identified as Attachment "B" which by this reference is made a part hereof.

Both the wage assignment authorization and the revocation of the wage assignment authorization forms shall be provided at the expense of the Union and shall be subject to approval by the Carrier.

The Union shall assume full responsibility for the procurement and execution of the Wage Assignment Authorization or the Wage Assignment Authorization Revocation

and for delivery of such forms to the Manager-Payroll Accounting of the Carrier at Chicago, Illinois.

Section 2 (a). The Treasurer of each lodge of the Union shall furnish to the Manager-Payroll Accounting of the Carrier not later than the fifteenth of each month, a certified statement (Form "C") in triplicate showing the name, Social Security Number, payroll number, the division on which employed, and the amount to be deducted from the wages of each member who has signed a wage assignment form and which form has been filed with the Carrier.

(b). The deductions will be made from the wages earned in the second pay period of the month only. Employee deduction authorizations (Form "A") must be in the office of the Manager-Payroll Accounting of the Carrier thirty days in advance of the fifteenth of the month in which deductions are to be made. The lists shall be prepared in the form attached hereto and identified as Attachment "C" which by this reference is made a part hereof. Lists (Form "C") covering additions or changes shall be supported by signed Wage Assignment Authorization (Form "A"). Lists covering cancellations shall be supported by signed Wage Assignment Revocations (Form "B"). The following payroll deductions will have priority over deductions in favor of the Union, as provided for in this agreement.

1. Federal, state and municipal taxes and other deductions required by law, including garnishments and attachments.
2. Amounts due the Carrier
3. Amounts due in payment for meal books and amounts due on watch and board and lodging deduction orders.
4. Insurance and hospitalization premiums, other than insurance premiums referred to in this agreement.

(c). If the earnings of an employee are insufficient to remit the full amount of deduction for such employee, no deduction shall be made, and the same will not be accumulated and deducted in subsequent months.

(d). No deductions will be made from other than the regular payrolls.

Section 3. This agreement shall cease to apply to any employee who may be adjudicated bankrupt or insolvent under any Federal or State laws, and any Wage Assignment Authorization given hereunder shall become void.

Section 4. The Carrier shall remit to the Treasurer of each lodge of the Union the amount deducted from the wages of the members. The Carrier will make such remittance on or before the 15th of the month succeeding that in which deductions are made. The Carrier will, at the time of such remittance, furnish the Treasurer of each

lodge with a list of the employees from whom deductions were made, their Social Security Numbers, and the amount of such deductions. Three copies of this statement will be furnished the Union. The dues deduction amounts may not be changed more often than once every three months. To initiate this handling, changes in "amounts" shall be shown on Form "C" for the month of January, 1974, then on Form "C" for the month of April, 1974, and thereafter each three months in a similar manner.

Section 5. Responsibility of Carrier under this agreement shall be limited to remitting to the Union amounts actually deducted from wages of the employees pursuant to this agreement, and the Carrier shall not be responsible to any employee for making deduction specified on a deduction list or for failure to do so. Any question arising as to the correctness of the amount listed and deducted shall be handled between the employee involved and the Union, and any complaints against the Carrier in connection therewith shall be handled by the Union on behalf of the employee concerned.

Section 6. The Manager-Payroll Accounting of the Carrier shall be furnished a list showing all local lodges, name, address and title of Union local lodge officer to whom deductions made pursuant to this agreement are to be forwarded. The Union will also advise the Manager-Payroll Accounting of the Carrier of any changes in names, addresses and titles of Union officers to whom deductions are to be forwarded, such original list and advice of any changes to be in the hands of the Manager-Payroll Accounting of the Carrier on or before the fifteenth day of the month in which deductions are to be made.

Section 7. No part of this agreement or any other agreement between the Carrier and the Union shall be used either directly or indirectly as a basis for any grievance or claim by or on behalf of any employee predicated upon any violation of, or misapplication or non-compliance with, any part of this agreement.

Section 8. The Union shall indemnify, defend and save harmless the Carrier from any and all claims, demands, liability, losses or damage resulting from the execution of, or compliance with the provisions of this agreement.

Section 9. This agreement shall become effective January 1, 1974, and shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Chicago, Illinois, this 15th day of November, 1973.

FOR:

UNITED TRANSPORTATION UNION-
YARDMASTER DEPARTMENT

/s/ J. E. Brodbeck
General Chairman

FOR:

SOO LINE RAILROAD COMPANY

/s/ L. W. Harrington
Vice President – Labor Relations

APPENDIX NO. 4

UNITED TRANSPORTATION UNION – YARDMASTER DEPARTMENT
SUPPLEMENTAL SICKNESS BENEFIT PLAN AGREEMENT

Effective January 1, 1979

THIS AGREEMENT, made this 31st day of October 1978, by and between the participating railroads listed in Exhibit A, attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such railroads shown thereon and represented by the United Transportation Union – Yardmaster Department, witnesseth:

IT IS AGREED:

I. Establishment of Supplemental Sickness Benefit Plan. Effective January 1, 1979 a Supplemental Sickness Benefit Plan (hereinafter referred to as this Plan) is established to cover Yardmasters. The benefits to be provided, the qualifying conditions, and the administration of this Plan are set forth in the paragraphs which follow:

2. Eligibility for Benefits: Eligible Employees, Insured Employees, Qualified Employees.

(a) Eligible Employees. Subject to the provisions of Paragraph 3, benefits will be provided employees under this Plan if, as the result of an accidental bodily injury which occurred or a sickness which commenced while the employee was insured, the employee is disabled to the extent that he is unable to perform the duties of any job available to him in his craft, or, if there is no job available to him in his craft, to the extent that he is unable to perform the duties of the last job on which he worked prior to commencement of the disability. Employees eligible for benefits are designated "Eligible Employees."

(b) Insured Employees. A qualified employee will be insured each month which follows a month in which he rendered compensated service for a participating railroad as a regularly assigned Yardmaster, under the coverage of a schedule agreement held by the Railroad Yardmasters of America, or takes vacation with pay for which he has qualified under such a schedule agreement. A qualified employee previously insured who ceased to be insured because of disability (as defined in Paragraph 2(a)), furlough, leave of absence or discharge, and who returns to work for the same railroad, or who commences work for another railroad at the direction of the management of his home road or by virtue of his seniority on his home road or under

the provisions of a protective agreement or order of a regulatory authority, within twelve calendar months after his insurance had terminated, shall again become insured on the day on which he again renders compensated service as a regularly assigned Yardmaster, under the coverage of a schedule agreement held by the Railroad Yardmasters of America, and his insurance shall continue for the remainder of that calendar month. An employee who while insured leaves the service of one railroad, and without missing more than one week of work returns to work for another railroad on which he is already a qualified employee, will continue to be insured for the remainder of that calendar month.

Notes:

1. As used herein, the term "regularly assigned Yardmaster" includes employees who have established Yardmaster seniority and are regularly assigned as Assistant Yardmasters, or to regular relief assignments as Yardmaster or Assistant Yardmaster, or to extra lists performing service exclusively in the Yardmaster craft.

2. The term "insured" in this Paragraph 2 does not necessarily imply coverage by a contract of insurance as referred to in Paragraph 7.

(c) Qualified Employees. A qualified employee is one who -

(i) has completed 30 days of continuous employment relationship with the same participating railroad, in a capacity in which he has been represented by the Railroad Yardmasters of America and covered by its schedule agreement, and

(ii) has completed the requirements to be a "Qualified Employee" as that term is used in Section 3 of the Railroad Unemployment Insurance Act, reading as follows:

"An employee shall be a 'qualified employee' if the Board finds that his compensation will have been not less than \$1,000 with respect to the base year, and, if such employee has had no compensation prior to such year, that he will have compensation with respect to each of not less than five months in such year. "

The term "base year" means the completed calendar year immediately preceding the beginning of a benefit year. The term "benefit year" means for purposes of the above definition the twelve-month period beginning July 1 of any year and ending June 30 of the next year. In arriving at the \$1,000, only the first \$400 of compensation in any month is counted. If the Act should be amended so as to change the definition of "qualified employee" or the associated elements mentioned above during the life of this Agreement, this Paragraph 2(c) will be regarded as amended in conformity with the Act.

An employee will become a qualified employee the first day of the calendar month after he fulfills both such conditions. The requirement of Subparagraph (c)(i) will be waived with respect to an insured employee who is furloughed and while insured commences work for another participating railroad.

3. Exclusions and Limitations. No benefits will be provided under this Plan -

(a) for the first four days of any disability;

(b) for a longer period, with respect to any disability, than twelve months. Continuing or successive periods of disability will be considered as the same disability unless separated by return to work on a full-time basis for a period of 90 calendar days or more, or unless due to entirely unrelated causes and separated by return to work on at least one day. If benefits are denied in accordance with Subparagraph (i) below because the employee received vacation pay during his disability, the twelve months period specified above shall be extended by the period during which benefits were denied for that reason;

(c) for any disability for which the employee is not treated by a duly qualified physician or surgeon, as certified by the physician or surgeon pursuant to Paragraph 9;

(d) for any day on which the employee performs work for remuneration;

(e) for any intentionally self-inflicted disability;

(f) for disability to which the contributing cause was the commission or attempted commission by the employee of an assault, battery or felony;

(g) for disability due to war or act of war, whether war is declared or not, insurrection or rebellion, or due to participation in a riot or civil commotion;

(h) for any period during which an employee is unable to work as the result of pregnancy or resulting childbirth, abortion or miscarriage, except that, subject to the other provisions of this Paragraph 3, benefits will be provided in case of miscarriage resulting from an accident or injury;

(i) Subject to the provisions of Paragraph S(a), for any period during which an employee eligible to receive sickness benefits under the Railroad Unemployment Insurance Act is denied such benefits for any reason including failure by the employee to make application for benefits;

(j) after the employee has attained 65 years of age; or

(k) for any disability commencing after the employee's employment relationship has terminated, except as provided in the last sentence of Paragraph 2(b).

4. Benefits. (As amended effective March 8, 2005)

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1,505.50, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$2,506. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,505.50 monthly benefit should exceed \$2,630, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for Yardmasters under the amended RUIA will not exceed \$2,630. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 1999 wage level was \$3,757.

(c) Effective March 1, 2005, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

5. Offsets.

(a) Benefits Provided under Laws. In any case in which an eligible employee who is not eligible for sickness benefits under the Railroad Unemployment Insurance Act receives annuity payments under the Railroad Retirement Act, or insurance benefits under Title II of the Social Security Act, or unemployment, -maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or any other social insurance payments under any law, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent that the sum of such payments or benefits in a month plus the monthly benefit payable under this Plan will not exceed \$1,236. In keeping with Paragraph 3(j), in any case in which an eligible employee who is eligible for sickness benefits under the Railroad Unemployment Insurance Act does not receive such benefits because of the operation of Section 4(a-l)(ii) of such Act, the benefit which would otherwise be payable to him under this Plan will be reduced to the extent that the sum of the monthly payments or benefits referred to in such Section 4(a-l)(ii) plus the monthly benefit payable under this Plan will not exceed \$1,236. In any case of retroactive award of annuity payments or pensions under the Railroad Retirement Act or of insurance benefits under Title II of the Social Security Act, or of unemployment, maternity or sickness benefits under an unemployment, maternity or sickness compensation law, or of other social insurance payments under any law, the

insuring agent may recover from the employee the excess of benefits paid under this Plan over the benefits which would have been payable under this paragraph if the retroactively awarded payments, pensions or benefits had been in effect from their retroactive effective date.

(b) Benefits Provided under Other Private Plans. In any case in which an eligible employee is eligible also for benefits under any plan, fund or other arrangement, by whatever name called, toward the cost of which any employer shall have contributed, including but not limited to any group life policy providing installment payments in event of permanent total disability, any group annuity contract, any pension or retirement annuity plan, or any group policy of accident and health insurance (other than an insurance policy insuring this supplemental sickness benefit plan as referred to in Paragraph 7) providing benefits for loss of time from employment because of disability, his benefit under this Plan shall be reduced to the extent that the sum of the benefit for which he is so eligible in a month, plus 21.75 times the daily sickness benefit payable to him under the Railroad Unemployment Insurance Act, plus the monthly benefit payable to him under this Plan will not exceed \$1,236.

(c) Off-Track Vehicle Accident Benefits. The benefit payable under this Plan for an employee who has been injured in an off-track vehicle accident covered under Article IV of the Agreement of September 20, 1968, as amended, or similar provisions, will be reduced by the amount of any payment for time lost which such employee may receive under Paragraph (b)(3) of such Article IV or under provisions similar thereto.

6. Liability Cases. In case of a disability for which the employee may have a right of recovery against either the employing railroad or a third party, or both, benefits will be paid under this Plan pending final resolution of the matter so that the employee will not be exclusively dependent upon his sickness benefits under the Railroad Unemployment Insurance Act. However, the parties hereto do not intend that benefits under this Plan will duplicate, in whole or in part, any amount recovered for loss of wages from either the employing railroad or a third party, and they intend that benefits paid under this Plan will satisfy any right of recovery for loss of wages against the employing railroad to the extent of the benefits so paid. Accordingly, benefits paid under this Plan will be offset against any right of recovery for loss of wages the employee may have against the employing railroad; the insuring agent will be subrogated to any right of recovery for loss of wages the employee may have against any party other than the employing railroad; as a condition to paying any benefits under this Plan the insuring agent may require the employee to assign to it any such recovery or right thereto from any party other than the employing railroad to the extent that benefits are payable under this Plan; and on any recovery for loss of wages from any party other than the employing railroad, the employee will reimburse the insuring agent from such recovery for any benefits paid under this Plan. For purposes of this Paragraph, a recovery shall be deemed to be for loss of wages to the extent of any actual wages lost due to the disability involved, regardless of how such recovery may be allocated for any other purpose.

7. Provision of Benefits.

(a) The National Carriers' Conference Committee will select an insurance company to administer the Railroad Yardmasters of America Supplemental Sickness Benefit Plan written in keeping with the provisions set forth in this Agreement. The National Carriers' Conference Committee in consultation with the Railroad Yardmasters of America will work out the details of the national insurance contract, which will be issued to the participating railroads as policyholder.

(b) Such insurance contract may cover general chairmen or other full-time representatives of the Railroad Yardmasters of America, provided that as to such representatives the payment obligations will be met by the individuals involved who will make their remittances through their labor organization.

(c) It is agreed, and the insurance contract will provide, that the insurer of the national insurance contract will provide the benefits herein provided for under the conditions herein set forth for the 30-month period from January 1, 1979 through June 30, 1981; that the insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the Railroad Yardmasters of America in the same detail and at the same time that it furnishes such data to the policyholder railroads; and that any dividends or retroactive rate refunds will be paid into the fund established pursuant to the next following paragraph.

(d) The National Carriers' Conference Committee will establish a fund, to be held by the insurer, to which will be credited any dividends or retroactive rate refunds under the national insurance contract and interest on the amount in the fund. Withdrawals may be made from such fund only to provide supplemental sickness benefits for employees covered by such national insurance contract unless otherwise agreed to.

(e) Insurance under this Plan will become effective January 1, 1979 for qualified employees who will have rendered compensated service as regularly assigned Yardmasters or taken vacation with pay, as specified in Paragraph 2(b) above, in December 1978.

(f) The first premium payment to the insurer of the national insurance contract will be made in relation to covered employees who will have rendered compensated service as regularly assigned Yardmasters, as defined in Note 1 to Section 2(b) above, in January 1979, and will be payable by February 15, 1979. A premium payment will be made for each calendar month thereafter during the effectiveness of the insurance contract in relation to covered employees who will have rendered compensated service in the calendar month involved; each payment will be payable by the 15th day of the following calendar month. A grace period of .31 days is to be provided for the payment of every premium after the first.

(g) All regularly assigned Yardmasters covered by schedule agreements held by the Railroad Yardmasters of America who render any compensated service as such in the calendar month involved will be counted in determining the number of covered employees with respect to whom premium payments are made, except that no employee will be counted -

(i) if he is covered by an existing Yardmasters' sick leave rule, plan or practice pursuant to Section 12(b), or

(ii) if he is counted by another railroad in determining the number of its covered employees with respect to whom it is making premium payments.

(h) The insurance contract will provide that, if the benefits under this Plan should be reduced in accordance with Paragraph 4(b) as the result of an increase in Railroad Unemployment Insurance Act sickness benefits, there will be an appropriate adjustment in premium rates with the new premium rates to be developed in the light of experience under the insurance contract and actuarial estimates of future experience, making appropriate allowance for cost of administration.

8. Railroad Retirement Board. The National Railway Labor Conference and the Railroad Yardmasters of America will jointly request the Railroad Retirement Board to establish such administrative procedures as may be feasible to facilitate the administration of this Agreement.

9. Evidence of Disability. Benefits under this Plan will be paid to eligible employees by the insuring agent subject to presentation of satisfactory evidence of disability and of the continuation thereof. The insuring agent will furnish appropriate forms on which the employee may furnish notice of disability, including information necessary to establish his eligibility for benefits and information pertinent to the amount of benefits due him and any applicable exclusions, limitations and offsets, and forms on which the physician or surgeon treating him may furnish evidence of the date of commencement, nature, extent, and probable duration of the disability, and may require completion of such forms or statements covering the same matters within 90 days after the commencement of a disability, provided that failure to furnish completed forms or statements within that time shall not invalidate or reduce any claim if it was not reasonably possible to furnish such completed forms or statements within that time and such completed forms or statements are furnished as soon as reasonably possible; the 90 days will be extended as necessary to comply with applicable State law. The insuring agent may make such investigations as it deems necessary, including examination of the person of the employee when, so often as, and to the extent that such examination is necessary to the investigation of an employee's claim. Except as delays may be caused by investigation of individual claims, benefits under this Plan will be paid not less frequently than once every month.

10. Disputes.

(a) Insured Employees. A National Supplemental Sickness Benefit Committee, consisting of two railroad members and two organization members signatory to this Agreement, is hereby established. The Committee shall have exclusive jurisdiction over any disputes not settled on the property as to whether an employee is insured within the meaning of Paragraph 2(b). The parties to this Agreement will promptly work out a procedure for the handling of such disputes, including appropriate time limits. Provision will be made for a neutral to act as a member of the Committee in the disposition of any disputes as to which the partisan members are unable to agree.

(b) Eligible Employees. Any dispute involving an insured employee's eligibility for benefits within the meaning of Paragraph 2(b), and any other dispute arising under this Agreement or under an insurance contract implementing it requiring determination of the employee's physical condition or the cause or the date of commencement of a disability, will be referred to a panel of physicians, one chosen by the employee or his representative, one chosen by the railroad involved, and one chosen by the insurer if an insurance contract implementing this Agreement is involved. If the panel cannot agree, its members will select another physician whose decision will be final.

(c) Other Disputes. Any dispute involving application of Paragraph 3 which does not require determination of the employee's physical condition or the cause or the date of commencement of a disability, and any other disputes which may arise involving the application of this agreement or of an insurance contract implementing it, will be submitted to the National Supplemental Sickness Benefit Committee established under Subparagraph (a) above, with provision, in cases in which an insurance contract implementing this Agreement is involved, for enlargement of such Committee to include such representatives not in excess of two as the insurer may designate, and that in such cases if the enlarged Committee cannot agree, and cannot agree on a procedure for disposition of the dispute, it will be submitted to arbitration.

(d) All of the decisions reached in accordance with the foregoing procedures in Subparagraphs (a), (b) and (c) shall be final and binding.

(e) All expenses in connection with the resolution of disputes under this Paragraph 10 shall be borne by the party (railroad, labor organization, insurer or employee) incurring them, provided that fees and expenses of neutrals who may serve under the provisions of Subparagraphs (a), (b) or (c) will be divided equally among the parties involved.

11. Non-Governmental Plan for Sickness Insurance. Effectiveness of the Supplemental Sickness Benefit Plan is conditioned upon a favorable ruling from the Railroad Retirement Board that such Plan qualifies as a "non-governmental plan for

sickness insurance" under Section I(j) of the Railroad Unemployment Insurance Act, and request for such ruling shall be submitted jointly by the National Railway Labor Conference and the Railroad Yardmasters of America.

12. Sick Leave Rules, and Other Sickness Benefit Plans. This Agreement will supersede all existing sick leave rules, plans or practices, except that on each railroad party to this Agreement, an option will be afforded Yardmasters (as a group -not individually) to retain any existing sick leave rules or practices as modified hereunder, for present Yardmasters (see paragraph (b) below). Such option must be exercised and the proper officer of the railroad notified in writing not later than December 15, 1978. If the option elected is to retain existing rules, plans or practices -

(a) If the existing rule or practice is not integrated with Railroad Unemployment Insurance Act sickness benefits, it will be modified to be effective not later than January 1, 1979 to provide that the rule or practice will supplement the benefit provided under R.U.I.A. and the amount of R.U.I.A. sickness benefits for which the Yardmaster is eligible will be offset against his sick pay. All days for which R.U.I.A. sickness benefits are payable, but not more days than the number for which the Yardmaster receives sick pay under the rule or practice, will be included in determining the amount of the offset.

(b) Except as so modified, the existing rule or practice will continue to be applied to all those who established seniority in the class or craft of Yardmaster prior to January 1, 1979.

(c) At any time prior to January 1, 1980, Yardmasters on any road electing to retain existing sick leave rules or practices may (as a group) re-exercise the option and elect, as of the first day of the next calendar month following 60 days notice in writing to the proper officer of the railroad, to discontinue coverage under such rules or practices and come under the national Plan.

13. Blanking Jobs and Realigning Forces. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent account his disability.

14. Discontinuance of Former R.Y.A. Plan. Effective January 1, 1979 the present supplemental sickness benefit plan held by the Railroad Yardmasters of America and covering Yardmasters at their own expense will be discontinued; the pay of each Yardmaster who is regularly assigned on any day in the first payroll period ending in a calendar month will be increased by the amount by which such pay had been reduced pursuant to the September 30, 1974 Agreement as amended by the February 16, 1976 Agreement; and railroads parties to such Agreements will discontinue remitting premium payments under the provisions of such Agreements. The last month for which Yardmasters' pay will be reduced and premium payments remitted is December 1978.

15. Court Approval. This Agreement is subject to approval of the courts with respect to participating railroads in the hands of receivers or trustees.

16. Effect of this Agreement. This Agreement is in full disposition of the notices, dated on or about June 20, 1978, served on the railroads listed in Exhibit A by the General Chairmen, or other recognized representatives, of desire to revise and amend existing agreements relating to sickness benefits.

17. Duration. The Supplemental Sickness Benefit Plan established hereby will continue in effect without change through June 30, 1981, and thereafter except as it may be modified or terminated pursuant to the provisions of the Railway Labor Act. No notice to change the Supplemental Sickness Benefit Plan, and no notice dealing with the matters of sick leave, sickness benefits, or any other matter covered by this Agreement may be served by any party to this Agreement prior to January 1, 1981 (not to become effective prior to July 1, 1981). This Paragraph will not bar changes in this Plan by mutual agreement of the National Carriers' Conference Committee and the Railroad Yardmasters of America.

SIGNED AT WASHINGTON, D. C. THIS 31st DAY OF OCTOBER 1978

NATIONAL CARRIER'S CONFERENCE
COMMITTEE:

UNITED TRANSPORTATION
UNION – YARDMASTER
DEPARTMENT:

(Signed)

(Signed)

APPENDIX NO. 5

NATIONAL AGREEMENT
October 31, 1978

ARTICLE VI – OFF-TRACK VEHICLE ACCIDENT BENEFITS (March 8, 2005
Soo/UTU-Y Agreement)

Article IV of the September 20, 1968 Agreement (“1968 Agreement”), as amended by Article VI of the October 31, 1978 Agreement, is further amended as follows effective on the date of this Agreement.

(a) Payments to be Made:

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of the Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

“Loss” shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints, with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of \$3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$10,000,000 for any one accident and the carrier shall not be liable for any amount in excess of \$10,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments that the aggregate limit set forth herein bears to the aggregate amount of all such payments.

APPENDIX NO. 6

EMPLOYEE PROTECTIVE AGREEMENT

This agreement is between Soo Line Railroad Company, The Milwaukee Road Inc., and employees represented by the United Transportation Union – Yardmaster Department.

The purpose of this agreement is to provide pursuant to 49 U.S.C. Section 11347 of the Interstate Commerce Act, as amended, and the Milwaukee Railroad Restructuring Act, for fair and equitable arrangements to protect the interests of employees adversely affected by the Acquisition; and to provide for expedited changes in services, facilities, operations, seniority and existing collective bargaining agreements to enable the expanded railroad system created by the Acquisition to be operated in the most efficient manner, as one completely integrated railroad.

Definitions. Whenever used in this agreement unless its context requires otherwise:

- (a) "Railroad" means the Soo Line Corporation, its subsidiaries or affiliates, either before or after February 19, 1985.
- (b) "Milwaukee Road" means The Milwaukee Road Inc.
- (c) "Soo" means the Soo Line Railroad Company.
- (d) "Estate" means the Estate of the bankrupt Chicago, Milwaukee, St. Paul and Pacific Railroad Company.
- (e) "Core Assets" means the property acquired by The Milwaukee Road Inc. from the Estate by purchase agreement dated April 6, 1984, as approved by the Reorganization Court.
- (f) "Employee" means a person with an employment relationship with the Railroad on or after February 19, 1985, whose rates of pay, rules and working conditions are subject to the Railroad Yardmasters of America Schedule Agreement.
- (g) "Transaction" means a change in operations, services or facilities of the Railroad arising from or growing out of the acquisition.
- (h) "Acquisition" means the acquisition of the Core Assets of the Milwaukee Road by the Railroad pursuant to the Order of the Reorganization Court entered subsequent to the ICC proceedings referred to above.
- (i) "Reorganization Court" means the United States District Court for the Northern District of Illinois, Eastern Division, exercising jurisdiction over the reorganization of the Milwaukee Road, pursuant to the Bankruptcy Act in Case 77 B 8999.

- (j) . "Wage Reductions" means any reduction in wages pursuant to the Wage Reduction Agreement made between various Milwaukee Road labor organizations and Richard B. Ogilvie, Trustee, effective as of January 1, 1982.
 - (k) "Deferred Wages " means the amount of reduction in wages for the years 1980 and 1981 made pursuant to the Wage Deferral Agreement of August 1, 1980.
 - (l) "Relocation Allowance" means the benefits described in Appendix 1 hereto.
 - (m) The "New York Dock Conditions" means the conditions imposed by decision of the Interstate Commerce Commission in Finance Docket No. 28250, attached hereto as Appendix 2 and made part of this agreement thereby.
 - (n) "Protective Conditions" are those labor protective conditions set forth in the New York Dock Conditions which shall be applicable to employees determined to be "displaced" or "dismissed" employees as a result of a Transaction.
 - (o) "Protected Employee" is an Employee entitled to a payment under the Protective Conditions.
 - (p) "Change of Residence" means any transfer of a work location to a point outside a 30-mile radius from the employee's former work location and farther from the employee's residence than was the former work location.
1. After the effective date of this agreement, all employees of the Milwaukee Road and Soo shall have the right to exercise seniority between each company in accordance with the following provisions:
- (a) Following the effective date of this agreement, all Soo Line and Milwaukee Road yardmasters holding regular yardmaster assignments will acquire system seniority by dovetailing all yardmaster seniority districts of both properties.
 - (b) Effective this same date all extra unassigned and candidate yardmasters from both properties will acquire system seniority by dovetailing all yardmaster seniority districts of both properties and will rank amongst themselves following those dovetailed yardmasters holding regular assignments.

NOTE: All yardmasters referred to in (a) and (b) above shall have prior rights to assignments at the point in which they establish their yardmaster seniority except as provided in (d) below.

- (c) Yardmasters who are able to hold a regular assignment at the point in which they established their yardmaster seniority will not be allowed to exercise their system seniority.
- (d)
 - 1. Regular assigned yardmasters affected by a force reduction or exercise of seniority as a result of a Transaction who are unable to hold a regular assignment at the point in which they established their yardmaster seniority will be allowed to exercise their system seniority. The decision to exercise system seniority must be made within ten (10) days from the date affected, with ten (10) additional days in which to report.
 - 2. Those yardmasters electing to exercise their system seniority pursuant to the above will be allowed up to 40 working days in which to qualify (10 days of which will include technical training under the Milwaukee Road Yardmaster Promotion Course). Any additional time to qualify will be at the discretion of management. Those yardmasters who are unable to qualify will be returned to the seniority district in which they were reduced and revert to the extra list.
 - 3. During this qualifying period the yardmaster will be paid at the rate of the position from which he was reduced, and if such exercise of seniority requires a change of residence, he will receive a \$50.00 a day living expenses during the qualifying period.
- (e)
 - 1. New positions or vacancies (other than candidate yardmaster positions) of thirty (30) days or more duration will be bulletined on the system for a period of 72 hours and assignment made within 72 hours following expiration of the bulletin to the senior regular qualified yardmaster at the point where the new position or vacancy exists.
 - 2. In the event no regular yardmasters have applied for the bulletined position at the point where the new position or vacancy exists, the senior unassigned or candidate yardmaster at the point where the new position or vacancy exists will be assigned, and if no unassigned or candidate yardmasters, the senior system unassigned or candidate yardmaster making application will be notified personally that he has been assigned a regular position; in addition, an assignment notice will be posted of his appointment.
- (f) Those yardmasters who elect to exercise their system seniority as provided in paragraph (d) above shall be entitled to moving and relocation benefits as provided in Appendix 2 to this agreement, if such exercise of seniority requires a change of residence.

2. Should the Railroad establish regularly assigned yardmaster positions at a point(s) where yardmasters were previously employed, those prior right yardmasters so affected will have preference in filling such positions. Relocation benefits will not be applicable to any prior right yardmaster who elects to exercise his rights under this Section 2.
3.
 - (a) For the purpose of protecting extra yardmaster vacancies as between the terminals of Shoreham/Humboldt and Minneapolis/ St. Paul and as between the terminals of Schiller Park and Bensenville, when there are no prior right unassigned or candidate yardmasters available, the senior qualified unassigned or candidate yardmaster having eight hours rest from the other terminal will have preference in filling the vacancy ahead of a regular assigned yardmaster at that point. Yardmasters will be qualified in accordance with the provisions of Section 1 (d) 2 and the yardmaster promotion course and during such period will be compensated at the rate of the last position worked as a yardmaster.
 - (b) An extra yardmaster will not work more than one shift within a calendar day when other extra yardmasters are available.
4. Except as otherwise specifically provided in this agreement, the Protective Conditions are applicable to employees of the Railroad adversely affected by a Transaction, subject to the following modifications:
 - (a) No Protected Employee shall be required to exercise seniority to a work location which would require a Change of Residence in order to maintain the Protected Employee's right to payments under Protective Conditions, provided however, that the Railroad may require the most junior employee reduced from a regular yardmaster position because of a Transaction to relocate to the closest available work location, consistent with its needs, in which event the Protected Employee shall be entitled to a Relocation Allowance if required to make a change of residence.
 - (b) Any Protected Employee who is required to transfer under (a) above shall be entitled to refuse to transfer and within 15 days of written notice elect one of the following alternatives:
 1. Receive a severance payment calculated at 100% of the payment to which the Protected Employee would be entitled under the terms of Section 9 of the Washington Job Protection Agreement of May 19, 1936 and terminate all employment relationship with the Railroad or any of its subsidiaries or affiliates.
 2. Terminate entitlement to the protective benefits provided herein and remain employed at the protected Employee's current location, or

be furloughed if no employment is available at the Protected Employee's current location, with the right to return to work at such time as work is available at that point.

3. If the employee accepts to transfer, he will have 21 days from the date of written notice to report.
- (c) Test period earnings shall be calculated at 100% so as to adjust for any reductions made pursuant to the Wage Reduction Agreement, but exclude any lump sum payment received for Deferred Wages or Wage Reductions.
- (d) Test period earnings for union representatives shall be increased by a basic day each day required to layoff for union business during the test period. The dates and rate of pay applicable on which the individual was required to layoff will be certified by the individual involved and by an officer of the union and furnished to the designated officer of the Railroad.
5. (a) At such time as the Railroad serves notice pursuant to Section 8 of this agreement of its intent to effect a Transaction which will result in the displacement or dismissal of Employees or the rearrangement of forces, the Railroad shall make available, in seniority order, separation allowances to those Employees at those points so affected in accordance with the provisions of paragraph (c) hereof.
- (b) Eligible employees identified in (a) above shall have a right to elect the following separation options:
 1. A continuation allowance, equivalent to 50% of the daily rate of the position to which regularly assigned multiplied by 360 days divided by the number of months remaining until such Employee is 62 years of age, or 36 months, whichever is lesser, shall be paid until the Employee's 62nd birthday, death or the expiration of thirty-six (36) months, whichever occurs first.

Upon expiration of the continuation allowance, the Employee's resignation from the service of the Railroad and forfeiture of all seniority and employment rights shall become effective. Until such time, the Employee shall be considered to be actively employed for the purpose of Health, Welfare, and Dental Plans benefits under the provisions of the RYA Schedule.

Before the continuation allowance is effective, the Employee will exhaust all vacation earned by service performed in the prior year. Vacation to which the Employee is entitled for service performed in the current year shall be paid in a lump sum.

During the time an Employee is receiving a continuation allowance, no other payments shall be made, and no offsets made. In addition, the Employee, by acceptance of the continuation allowance, agrees not to exercise any seniority and such Employee shall not be subject to call by the Railroad. The Railroad will withhold and make payments to the Railroad Retirement Board from continuation allowances in the same manner as from active employees, to the full extent required or permitted by law. The Railroad will also make the required payments to the Railroad Retirement Board as is required or permitted by law.

Continuation allowances shall be paid on the first of each month beginning with the month following the month in which the Employee exhausts vacation attributable to service performed in the prior year; or

2. A lump sum separation payment computed as follows:

<u>Length of Service</u>	<u>Separation Allowance</u>
1 year & less than 2 years	3 months' pay
2 years & less than 3 years	6 months' pay
3 years & less than 5 years	9 months' pay
5 years and over	12 months' pay

One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.

An employee who is awarded a lump sum separation payment under this subparagraph (2) shall, upon executing the resignation form, terminate his seniority and employment relationship with the Soo and Milwaukee or their successor. The effective date of such termination shall be the date of execution of the resignation form.

The separation payment shall be paid within sixty (60) days of termination of employment or, at the option of the employee, may be taken in quarterly or less frequent payments extending over a year from the employee's date of termination. The separation payment will be in addition to any vacation allowances and other compensation for service rendered due the employee as of the date of his separation.

- (c) The number of separation allowances will coincide with the number of positions abolished at each location as a result of such Transaction. In the event the number of Employees applying for separation allowance does not coincide with the number of positions being abolished, the remaining number of separations will be offered at the point to which the work is to be transferred. Each regularly assigned Employee so notified may, within twenty (20) calendar days of such notice, make application in writing to the

proper officer of the Railroad of his desire to accept such separation. Each Employee awarded a separation allowance by virtue of his seniority relative to other employees at that point(s) making application will be so advised in writing within seven (7) days of the close of the application period.

6. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved and shall be applicable on the Railroad, until changed herein or by future collective bargaining agreements, implementing agreements or applicable statutes.
7. Until a new unified schedule of rules is agreed to, all work will be governed by the schedule of rules applicable to the work at the location where the employee starts his or her tour of duty.
8. When the Railroad contemplates that effectuation of a Transaction may cause the dismissal or displacement of employees or rearrangement of forces involving such employees, it shall give at least twenty (20) days' written notice of such Transaction by posting a notice on bulletin boards convenient to the interested employees of the Railroad and by sending certified mail notice to the duly authorized representatives of such employees before making the changes described in the notice. Such notice shall contain a full and adequate statement of the proposed changes to be effected, including an estimate of the number of Employees affected by the intended changes.
9. Nothing in this agreement shall be construed as depriving any Employee of any rights or benefits or eliminating any obligations which such Employee may have under existing job security or other protective conditions or arrangements; provided, however, that if an Employee is eligible for protection under both this agreement and some other job security or other protective conditions or arrangements, such Employee shall elect between protection under this agreement and protection under such other agreement. So long as the Employee continues to be protected under the arrangement elected, such Employee shall not be entitled to any protection or benefit (regardless of whether or not such benefit is duplicative) under the arrangement not elected; and, provided further, that after expiration of the period for which such Employee is entitled to protection under the arrangement elected, such Employee may then be entitled to protection under the other arrangement for the remainder, if any, of the period of protection under that arrangement. There shall be no duplication or pyramiding of benefits to any Employee, and the benefits under this agreement, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits.

10. All claims for benefits under this agreement must be made in writing to the proper official of the Railroad. Claims made for a Relocation Allowance must be made within one (1) year from the date notified of a required Change in Residence, and if not so made, are barred. Claims for a displacement or dismissal allowance must be made within sixty (60) days from the last day of the month for which claim is made, and if not so made, are barred. The disallowance of a claim must be made within sixty (60) days from the date of receipt, and if not so disallowed, shall be paid. Failure to disallow a claim shall apply only to the individual claim involved, and shall not be considered as a waiver of the contentions of the Railroad as to any other claim.
11. In the event the Railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provisions of this agreement, it may be referred by any party to an arbitration board for resolution in accord with the provisions of Article I, Section 11, of the New York Dock Conditions.
12. This agreement is intended to provide a fair and equitable arrangement for the protection of the interest of the Soo and Milwaukee Road employees represented by the signatory organization as provided in 49 U.S.C. 11347 and the Milwaukee Railroad Restructuring Act, and shall constitute the entire obligation for protection of such represented employees required in connection with the Acquisition or merger of Soo and Milwaukee Road.
13. The provisions of this agreement shall be effective on July 1, 1985, provided that in the event court action shall at some future date require the Railroad to return or otherwise reconvey the Core Assets, this agreement shall be null and void and no party or person shall be entitled to any further or other benefits hereunder.
14. Where the rules of the respective schedule agreements conflict herewith, the provisions of this agreement will apply. Rules or portions thereof that are not in conflict with this agreement are preserved.
15. It is agreed that any inadvertent errors, omissions or inclusions in this Employee Protective Agreement, including attachments thereto, recognized by both parties as being inconsistent with the purpose and intent of this agreement, will be corrected, included, or deleted, as the case may be, to properly reflect the understanding reached through negotiations.
16. All attachments and appendices hereto are considered as a part of this agreement with equal force and effect.

Signed Minneapolis, MN this 10th day of September, 1985

SOO LINE RAILROAD COMPANY
AND THE MILWAUKEE ROAD INC.

UNITED TRANSPORTATION UNION-
YARDMASTER DEPARTMENT

/s/ L. J. Cardinal

General Chairman – Soo Line

/s/ C. W. Nelson

AVP Labor Relations

July 24, 1985

EMPLOYEE RELOCATION GUIDELINES FOR TRANSFERRED EMPLOYEES

Eligibility and Coverage

The provisions of these guidelines apply to Railroad approved relocations of employees effective on or after the effective date of this agreement.

I.

Sale of Residence

A relocating homeowner employee has the option of either selling his/her house to a third party relocation service or selling his/her house independently (with or without the aid of a real estate broker). This section applies to the employee's primary residence only, and does not apply to vacation homes, income or investment property, or mobile homes.

1. Sale of Residence to Relocation Service

- A. The employee notifies the Assistant vice President-Human Resources (AVP-HR) of his/her interest to use a third party relocation service within 15 calendar days of accepting his/her transfer.
- B. The AVP-HR contacts the appropriate Relocation coordinator, who, in turn, assigns a relocation service.
- C. The third party relocation service will make an offer to purchase the property based on its fair market value, which shall be determined as of a date sufficiently prior to the date of the Transaction so as to be unaffected thereby.
- D. Should a controversy arise in respect to the fair market value of the property and the loss sustained in its sale, it shall be decided through joint conference between the employee, or his/her representatives, and the Railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employee and one by the Railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the Society of Residential Appraisers

to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

- E. The employee will have forty-five (45) days from the time the offer is made in which to accept or reject the service's offer. If there is a dispute as to the fair market value of the property, the price accepted shall be subject to adjustment to reflect the price ultimately established under D above. If the offer is accepted by the employee, the service will normally take title to the property and will pay the employee his/her equity in the property to facilitate purchase of property at the employee's new location. The employee will have sixty (60) days in which to vacate the property starting on the day the offer is accepted.
- F. During the 45-day offer period, the employee may attempt to sell the property independently, subject to a restriction that any real estate broker engaged must agree to cancel the listing of the property without commission or obligation in the event the employee decides to accept the third party relocation service's offer. If the employee successfully sells his/her house in this manner, he/she may assign the sale to the third party service. The service will offer to immediately pay the employee the equity in the property and will handle the details regarding the close of the property. The employee should contact the AVP-HR for advice before accepting an offer arranged outside of the third party firm offer. (Caution: There may be times when the independent offer will net the employee less than the third party offer due to deductions from the overage in assigned sales situations for such items as points, repairs and buyer's closing costs which the seller agrees to pay.)
- G. If the employee accepts the purchase offer made by the third party relocation service, any loss/gain on the subsequent resale of the property will be assessed to the Railroad.
- H. If the third party relocation firm's services are utilized, the Railroad will be directly billed by the party firm for all expenses incurred in connection with the handling of the sale of the employee's property.

2. Personal Sale of Residence

An employee wishing to sell his/her house may do so by personally handling the transaction or by utilizing a real estate broker. The reimbursed expenses incurred to sell the property are subject to the following conditions.

- A. The employee indicates to the AVP-HR his/her intention to sell his/her house independently of the third party relocation service.
- B. If the employee sells his/her house without the aid of a real estate broker, the employee will receive four percent (4%) of the sale price of the home from the Railroad at the time of closing. To receive the four percent payment when selling the house independently of a broker, the following conditions must be met:
 - 1. The employee must have a contract of sale before the expiration of the employee's third party relocation offer.
 - 2. The employee must pay his/her own selling expenses (e.g., advertising/promoting the house, maintenance costs, etc.).
- C. When the employee elects to utilize the services of a real estate broker, the employee must consummate the sale and close of his/her property within four (4) months from the effective date of transfer in order to be reimbursed for expenses incurred.
- D. Reimbursement will be made for reasonable and customary expenses incurred in the marketing and sale of the property. FHA, VA or conventional seller's points are not covered. Representative expenses eligible for reimbursement include:
 - real estate broker's fee
 - attorney's fee
 - title expense or title insurance
 - transfer taxes
 - mortgage pre-payment penalties
- E. Reimbursement of the above costs are subject to the submission of a final, legible, executed copy of the closing statement document(s) and other necessary statements or receipts substantiating expenses incurred in the transaction.

3. Lump Sum Real Estate Settlement

An employee who owns his/her home or is purchasing his/her home may, in lieu of all benefits contained in this Appendix 1, elect the following:

- A. Each qualified homeowner electing this option will be paid twenty (20) percent of the fair market value of his home, or \$20,000, whichever amount is less. In each case the fair market value shall be determined as

of a date sufficiently prior to the date he is required to move to be unaffected thereby.

- B. The protected employee will be permitted to retain title to his home and will retain responsibility for any and all indebtedness outstanding against his home. The Carrier will assume no liability whatever in connection therewith.
- C. If the protected employee purchases a different home between the date of the Employee Protective Agreement and the date he is required to move, he will be entitled to the benefits in this Article on the basis of application of the terms hereof to the home he owned prior to the date of the Employee Protective Agreement.
- D. The protected employee qualified to participate in this property settlement and electing this Option (1) will notify the Carrier within thirty (30) days of the date he is required to move, providing evidence of ownership and length of such ownership, whereupon payment provided herein shall be made within thirty (30) days thereafter.
- E. Should a controversy arise with respect to the fair market value as referred to in this option, it shall be decided in accordance with Section 1, Paragraph "D", of this Article.

II.

Double Housing Expenses

The Railroad will reimburse an employee for certain expenses in connection with his/her primary residence at the old location if it remains unsold after the employee begins making payments on his/her primary residence at the new location. Expenses will be reimbursed for a period of up to sixty (60) days.

Representative expenses at the old location which will be reimbursed are:

- mortgage interest payments
- prorated real estate taxes
- utilities
- maintenance costs

If the third party service is used, double housing normally will not be paid.

III.

Disposal of Leased Residence at "Old" Location

A transferring employee who is renting his/her residence will be reimbursed for expenses incurred in terminating his/her lease. The maximum reimbursable expense will be the equivalent of three (3) months' rent.

IV.

Finding a New Residence

The transferring employee will be reimbursed for reasonable and customary expenses incurred while selecting and securing a residence at the employee's new location. Homefinding assistance will be offered to the employee and arranged through the Railroad.

1. "House Hunting" visits: Reimbursement will be made to the employee and spouse for reasonable expenses up to a maximum of two (2) trips for six (6) days total for visits to the new location for the purpose of selecting a residence.

(Reimbursement will include reasonable child care expenses in lieu of children accompanying the employee.)

2. Purchase of Residence: Reimbursement will be made to employees who own a home at the old location for reasonable and customary out-of-pocket expenses incurred in purchasing a home at the new location, up to a maximum of three percent (3%) of the purchase price of the employee's new home. Buyer's discount points which serve to reduce the mortgage interest rate will not be reimbursed. Seller's points passed on to the buyer will not be reimbursed. Representative costs for purchasing a home include:

- attorney fees
- closing costs
- title insurance (non-refundable)
- loan origination fees
- legally required inspections
- transfer taxes
- credit reports
- title search

3. Securing a Lease: Reimbursement will be made to the employee for reasonable and customary non-refundable expenses incurred in securing a lease at the new location. (This provision does not cover refundable charges such as damage, cleaning or security deposits.) Representative allowance expenses include:

- apartment broker's fee
- credit check
- non-refundable cleaning or pet

V.

Actual Movement to the New Location

1. Personal and Family Travel

Reimbursement will be made to the employee for actual and necessary expenses incurred in transporting the employee and his/her family to the new location. It is expected that a direct route to the new location will be followed. If a personal automobile is used, reimbursement will be made at the standard reimbursement rate for each automobile. If a common carrier is used, reimbursement will be made on the basis of "family plan" or "coach" fares. Additional en route transportation expenses which will be reimbursed are tolls, meals and lodging.

2. Shipment of Household Goods and Personal Effects

- A. The transportation of an employee's household goods will be arranged by the Human Resources Department. They will select, schedule and reimburse the moving company, working cooperatively with the employee.
- B. The Railroad will pay for the costs of packing, shipping, unpacking and insuring the normal household furnishings and personal effects belonging to the employee and his/her family.
- C. This provision does not include coverage for the movement of boats over fourteen (14) feet in length, mobile homes or heavy power tools, household pets and the insurance for personal collections.

3. Storage of Household Goods

The Railroad will pay for storage costs for household goods if approved in advance by the AVP-HR. The maximum time the employee's goods may be stored is sixty (60) days.

VI.

Mobile Homes

Railroad will authorize the movement of an employee's mobile home in lieu of moving household effects by a household goods carrier.

Authorized Allowances

Actual and reasonable charges for transportation, including fees and permits, will be paid by Railroad.

If the employee chooses to sell his/her mobile home, Railroad shall authorize payment of a real estate fee of up to ten percent (10%) .The amount of the fee will be paid upon proof of completion of the sale by a licensed real estate broker. Sale of the mobile home must be completed within one (1) year of the date of the employee's relocation.

Insurance for the contents of mobile homes is covered under the transport rate and includes full coverage based on replacement cost at location of loss or damage caused by collision, upset, accident or theft. Coverage excludes tire failure, mechanical or structural breakdown.

Insurance on the contents, not a fixed part of the unit, should be based on the actual value, but limited to \$10,000 maximum. Employees owning mobile homes should be aware that there are more than ordinary risks involved in moving large mobile homes, and the employee must be prepared to fully insure the mobile home against any and all possible damage, even if a commercial hauler pulls the home.

Actual charges for disconnecting and connecting water, electricity, gas or fuel, sanitation, blocking and unblocking and appliance servicing will be reimbursed upon submission of expense receipts.

Packing and unpacking service is authorized.

If employees choose to transport their own home trailer (i.e., pull it with their own vehicle), Railroad will reimburse them for special state and local fees and tolls involved in moving the trailer only on the basis of receipt for actual cost and will allow a total of 26 cents per mile allowance. Railroad assumes no liability for damage to or loss of the trailer or its contents.

VII.

Interim Living

1. Employee

- A. A transferring employee will be reimbursed for actual reasonable temporary living expenses at the new location for a period not to exceed sixty (60) days from the effective date of transfer if he/she is unable to move directly into his/her residence. Temporary living expenses include:

- cost of lodging
- cost of meals that would normally be eaten at home (morning and evening meals)
- grocery costs in lieu of meals eaten outside the home

Receipts are required for all expenses over \$25. The maximum reimbursement hereunder shall be \$50 per day.

- B. Employees will be reimbursed for the actual costs of a reasonable number of trips between the new and old location to visit his/her family before they are moved (not to exceed once every two weeks) .

2. Family

If the employee's family cannot move directly into their residence at the new location, the actual cost of reasonable temporary living expenses for the family will be reimbursed for a period not to exceed thirty (30) days. This thirty-day period is included within the employee's sixty-day total coverage. The maximum reimbursement hereunder for both employee and family shall be \$100 per day.

VIII.

Relocation Allowance

In addition to the expense reimbursements described elsewhere in this guideline, the Railroad will provide a relocation allowance for incidental expenditures. This allowance is intended to cover items such as: disconnecting and reconnecting appliances; rug and drape altering; shipment of pets; shipment of boats; and shipment of heavy power tools. The relocation allowance is as follows:

1. For employees who are homeowners at the old location: Twenty days' base pay at the employee's effective daily rate at his/her new location will be paid.
2. For non-homeowner employees: Ten days' base pay at the employee's effective daily rate at the new location will be paid.

IX.

Mortgage Interest Rate Differential (MID)

The Railroad shall to provide additional assistance for a three (3) year period to an employee who, due to his/her relocation, experiences greater housing costs because the interest rate on the home mortgage at the new location is higher than the interest rate on the mortgage at the old location.

A mortgage interest rate differential (MID) will be paid in an amount representing the difference between the old and new mortgage interest rates times the balance of the old mortgage as of the date of closing on the sale of the employee's old residence. If an employee has two or more mortgages on his/her old or new residence, the weighted average of the applicable interest rates and the total of all mortgages on the employee's old residence will be used as the basis for calculating the MID.

The employee will receive the MID in three payments. The first payment will be made on or after the date the employee closes both the sale on his/her old residence and the purchase of his/her new residence. The second payment will be made on or shortly after the first anniversary of the first installment. The third payment will be made on or shortly after the second anniversary of the first installment. Verification from the lending institution of the current interest rate is required prior to the payment of the second and third MID. Refinancing costs may be reimbursed in lieu of future MID payments but will not exceed the amount of the remaining MID costs. (Note: If an employee relocates again before the three year period covered by his/her original MID allowance has expired, under circumstances which would entitle the employee to benefits under this or a similar plan, an adjustment will be made to any remaining MID payments to reflect the difference between the interest rate on the employee's newest residence and the interest rate of the start of the three year period. A new three year period will begin at the time of the second relocation.)

Payments will be made only to active, current Railroad employees at the time the MID becomes payable, who are occupying as their primary residence the property, the purchase of which gave rise to the MID allowance.

X.

Temporary Relocation

The Railroad shall have the right to postpone the entitlement of any Employee to benefits under this relocation policy for a period of up to six (6) months from the date of the Employee's change in work location. During such postponement the Railroad shall pay the Employee an allowance for reasonable and actual temporary living expenses computed as provided for in Article VII above. In lieu of such allowance for actual expenses, the employee may elect a lump sum monthly allowance of \$750. At the end of the six-month period, or such shortened time as the Railroad may in its discretion choose, the Railroad must either allow the employee to return to a work location which does not require a Change of Residence or the Employee is entitled to Relocation Benefits under the provisions of this addendum.

APPENDIX 6 (CONT'D)

APPENDIX 2

NEW YORK DOCK

Finance Docket No. 28250

APPENDIX III

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. [formerly sections 5(2) and 5(3) of the Interstate Commerce Act], except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

1. Definitions.-(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period or time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employee's length of service shall be determined in accordance with the provisions of section 1(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing Job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other Job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits; and, provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision -(a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date or receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowances -(a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position, he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

6. Dismissal allowance. -(a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so reemployed. During the time or such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee's resignation, death, retirement, dismissal for justifiable "cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible after appropriate notification, if his return does not infringe upon the employment rights of other employees under a working agreement.

7. Separation Allowance.- A dismissed employee entitled to protection under this appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this appendix) accept a lump sum payment computed in accordance with section 9 of the Washington Job Protection Agreement of May 1936.

8. Fringe benefits.- No employee of the railroad who is affected by a transaction shall be deprived, during his protection period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, in active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

9. Moving Expenses.- Any employee retained in the service of the railroad or who is later restored to service after being entitled to receive a dismissal allowance, and when is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed 3 working days, the exact extent of the responsibility of the railroad during the time necessary for such transfer and for reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the railroad and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, shall not be considered to be within the purview of this section; provided further, that the railroad shall, to the same extent provided above, assume the expenses, et cetera, for any employee furloughed with three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provision of this section unless such claim is presented to railroad with 90 days after the date on which the expenses were incurred.

10. Should the railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this appendix, this appendix will apply to such employee.

11. Arbitration of disputes.- (a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

(b) In the event a dispute involves more than one labor organization, each will be entitled to a representative on the arbitration committee, in which event the railroad will

entitled to appoint additional representatives so as to equal the number of labor organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

12. Losses from home removal.- (a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, the railroad shall protect him against loss to the extent of the fair value of equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the railroad shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are not the result of a transaction shall not be considered to be within the purview of this section.

(c) No claim for loss shall be paid under the provisions of this section unless such claim is presented to the railroad within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or their representatives and the railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employees and one by the railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree in a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties in the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, the railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who had made a request under section 1 or 2 of the Article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this appendix.

ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of Part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix

shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprises for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

ARTICLE IV

Employees of the railroad who are not represented by a labor organization shall be afforded substantially the same levels of protection as are afforded to members of labor organizations under these terms and conditions.

In the event any dispute or controversy arises between the railroad and an employee not represented by a labor organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to arbitration.

ARTICLE V

1. It is the intent of this appendix to provide employee protections which are not less than the benefits established under 49 USC 11347 before February 5, 1976, and under section 565 of title 45. In so doing, changes in wording and organization from arrangements earlier developed under those sections have been necessary to make such benefits applicable to transactions as defined in article 1 of this appendix. In making such changes, it is not the intent of this appendix to diminish such benefits. Thus, the terms of this appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established under 49 USC 11347 before February 5, 1976 and under section 565 of title 45.

2. In the event any provision of this appendix is held to be invalid or other wise unenforceable under applicable law, the remaining provisions of this appendix shall not be affected.

Soo Line Railroad Company

Soo Line Building
Box 530
Minneapolis, Minnesota 55440
(612) 347-8287

WAYNE C. SERKLAND
Vice President
Labor Relations

September 10, 1985

Mr. L. J. Cardinal
General Chairman
Railroad Yardmasters of America
1040 Oak Ridge Point, N.E.
Blaine, Minnesota 55434

Mr. P. C. Mertens
General Chairman
Railroad Yardmasters of America
5738 Oriole Court
Greendale, Wisconsin 53129

Gentlemen:

Letter of Understanding

It is understood and agreed that the Employee Protective Agreement executed by the parties as of this date shall have an effective date as of August 27, 1985, but that the 10 day period referred to in Section 1d(1) shall be extended from the date of execution of this Agreement.

Very truly yours,

/s/ Wayne C. Serkland

I concur:

/s/ L. J. Cardinal
General Chairman Soo Line

I concur:

/s/ P. C. Mertens
General Chairman Milwaukee Road

Chicago, Milwaukee, St. Paul
and Pacific Railroad Company

516 West Jackson Boulevard
Chicago, Illinois 60606-5790
Phone 312/648-3000

August 27, 1985

Mr. P. C. Mertens
General Chairman – RYA
5738 Oriole Court
Greendale, Wisconsin 53129

Mr. L. J. Cardinal
General Chairman – RYA
1040 Oak Ridge Point, N.E.
Blaine, Minnesota 55434

Gentlemen:

This has reference to Sections 5(b) (1) and 5(b) (2) of the Employee Protective Agreement.

It is agreed the first paragraph of Section 5(b) (1) is amended to read:

A continuation allowance, equivalent to the daily rate of the position to which regularly assigned multiplied by 261 days divided by the number of months remaining until such Employee is 62 years of age, or 36 months, whichever is lesser, shall be paid until the Employee's 62nd birthday, death, or the expiration of thirty-six (36) months, whichever occurs first.

and the last paragraph of Section 5(b) (2) is amended to read:

The separation payment shall be paid in sixteen (16) equal monthly installments beginning on the first day of the month following the employee's date of termination. The separation payment will be in addition to any vacation allowances and other compensation for service rendered due the employee as of the date of his separation.

Very truly yours,

/s/ C. W. Nelson
Assistant Vice President-
Labor Relations

I concur:

RAILWAY YARDMASTERS OF
AMERICA
SOO LINE RAILROAD COMPANY

/s/ L. J. Cardinal
General Chairman

RAILWAY YARDMASTERS OF
AMERICA
MILWAUKEE ROAD INC.

/s/ P. C. Mertens
General Chairman

SOO LINE RAILROAD COMPANY
AND
THE MILWAUKEE ROAD INC.

/s/ C. W. Nelson
Assistant Vice President
Labor Relations

APPENDIX NO. 7

SOO PROPERTY AGREEMENT 1991

THE SOO LINE RAILROAD COMPANY DEPENDENT CARE ASSISTANCE PLAN

Effective January 1, 1992, the Soo Line Railroad will make available to all active members of the United Transportation Union - Yardmasters the Soo Line Dependent Care Assistance Plan. The Plan allows employees to pay for dependent care expenses with "pre-tax" dollars. Following is an overview of the Plan, additional details of the Plan and enrollment forms will be forwarded to all members prior to December 1, 1991.

- A. All full time active yardmasters of the Soo Line covered by the United Transportation Union -Yardmasters collective bargaining agreement will be eligible to participate in the Soo Line Dependent Care Assistance Plan. New hires will be eligible for participation upon completion of 90 days of service.
- B. Eligible employees may use this Plan to pay for dependent care expenses that are necessary to allow them to work. If employee is married, their spouse must meet at least one of the following eligibility requirements: working full-time or part-time, looking for work, full-time student during at least five months of the year, or disabled.
- C. Prior to the beginning of each calendar year, all eligible employees may make an election whether or not to participate in the Plan. If an employee elects to participate in the Plan, employee must estimate how much he expects to spend on dependent care expenses during the coming year and submit enrollment form to the designated Soo Line claims administrator.

Each payroll period employees elected amount will be deducted in equal installments from their pay prior to Federal and Railroad Retirement taxes being calculated. In addition, these amounts are not subject to state income taxes in Minnesota and most other states. The amount deducted will be credited to the employee's Dependent Care Assistance Account. As the employee pays dependent care expenses throughout the year, the employee will file for reimbursements through the designated Soo Line claims administrator. Because the dollars placed in the Dependent Care Assistance Account are not taxed, eligible employees save on taxes and increase their spendable income.

- D. Whether an employee is married or single, the maximum any employee may elect each year is \$5,000 (or \$2,500 if married and filing a separate return). The amount deducted from employee's pay cannot be more than the amount of

employee's paycheck. If employee is married and spouse is working, the amount employee elects cannot be more than their spouse's taxable income. If employee's spouse is a full-time student, or is incapable of self-care, employee may elect a maximum of \$200 in any one month for one dependent or \$400 in any one month for more than one dependent.

- E. Eligible expenses are dependent care expenses that are employment related. This means that they must be necessary to allow an employee and employee's spouse (if you are married) to work --unless employee's spouse is a full-time student or incapable of self-care.

Dependents may include employee's children under age 13 or any household members who are incapable of self-care. The person who provides the care cannot be someone who is claimed as a dependent, employee's spouse or employee's child who is under age 19.

Examples of eligible expenses include:

- * Child care centers
- * Family day care providers * Babysitters
- * Nursery schools
- * Caregivers for a disabled dependent or spouse who lives with you
- * Household services / provided that part of the services include direct babysitting or child care
- * Kindergarten
- * After school (latchkey programs)

Examples of ineligible expenses include:

- * Expenses for food and clothing
- * Education expenses from first grade on
- * Health care expenses for your dependents
- * Overnight camps
- * Expenses incurred before an employee became a participant of the Plan

- F. Employee will be responsible for filing all claims for reimbursement. Claims will be filed with the designated Soo Line claims administrator. Employee may file a claim at any time, but no more than twice a month.

When employee receives a bill for eligible dependent care expenses, they should pay it and keep their receipt. Attach the receipt with a claim form and forward it to the designated Soo Line claims administrator. All receipts must include provider's name, address and Social Security number (or tax I.D. number).

The amount that can be reimbursed at any time cannot exceed the amount accumulated in employee's account (less any amounts previously reimbursed for the year).

Claims for reimbursement may be submitted at any time after expenses have been incurred. However, all expenses must be incurred within the calendar year in which the election applies, and all claims for the period must be submitted to the designated claims administrator prior to March 1 following the end of the calendar year.

- G. The IRS stipulates that an employee's election cannot be changed during the year unless the change *is* caused by a qualifying change in family status.

Examples of qualifying changes in family status:

- * Employee's marriage or divorce
- * Birth or adoption of a child
- * Death of spouse or dependent
- * Change from full-time to part-time employment or vice-versa
- * Spouse begins or ends employment

An employee has 30 days following a change in family status to change their election for the remainder of the year. Any change will be effective for the payroll periods after employee's changed election is filed with the Company.

- H. If employee does not use the entire amount elected to be set aside in employee/s Dependent Care Account by the end of the calendar year, the remaining dollars will be forfeited in accordance with IRS rules. Therefore, employee should elect no more than they expect to use for expenses in one year. This is commonly called the "use it or lose it" rule. Employee will have until March 1 of following year for expenses incurred during the prior calendar year before they will forfeit any money remaining in their account.

If employee's employment with the Soo Line terminates or status changes so that employee is no longer eligible to participate in the Plan, salary reduction and corresponding deposits to the Plan will stop. Amounts deposited in employee's Dependent Care Plan prior to termination of employment, or change in status, will still be available for reimbursement of eligible expenses incurred in that year, either before or after termination of employment.

- I. The amount employee elects to have deducted from their paycheck will be added to their Account as of the pay date on which they would otherwise received the amount in their paycheck. The Dependent Care Assistant Account is for bookkeeping purposes only. No specific assets are ever set a side for any Participant.
- J. Dependent care expenses paid out of employee's Dependent Care Assistance Account are not eligible for dependent care tax credit on the employee's income tax return. Each employee will have to make a decision on which method *is* more advantageous to them based on their own tax situation and income level.

In general, an employee will achieve a greater tax savings through the Soo Line Dependent Care Assistance Plan if the combined adjusted gross income for the employee and employee's spouse is above \$25,000. If the combined adjusted gross income for the employee and employee's spouse is under \$25,000, employee may wish to consult with their personal tax advisor.

- K. Following is an example of the tax advantage in using Soo Line's Dependent Care Assistance Plan, assuming employee is married with two children and has an annual household income of \$45,000, and employee has elected to have \$5,000 of their salary reduced and credited to their Dependent Care Assistance Account.

	WITH PLAN	WITHOUT PLAN
Gross Pay	\$45,000	\$45,000
Salary Reduction Election	<u>- 5,000</u>	<u>0</u>
Taxable Pay	\$40,000	\$45,000
Estimated Taxes Withheld	<u>-10,397</u>	<u>-11,830</u>
After Tax Pay	<u>\$29,603</u>	<u>\$33,170</u>
After Tax Expense	<u>- 0</u>	<u>- 5,000</u>
Net Pay	\$29,603	\$28,170

Tax Savings with the Plan: \$1,433

NOTE: This example includes Federal, Minnesota State, and Railroad Retirement taxes at 1991 withholding rates assuming a married employee with two children.

- L. It is recognized that the Soo Line Dependent Care Assistance Plan, which allows eligible employees to pay for dependent care with "pre-tax" dollars, is derived from the application of Section 125 and 129 of the Internal Revenue Code, as amended, and is thus governed by statutes which may necessitate future amendments to this Plan.

APPENDIX NO. 8

1991 SOO PROPERTY AGREEMENT

401(k) PLAN

Effective January 1, 1992, the Soo Line Railroad will establish a 401K Plan for active members of the United Transportation Union – Yardmasters in accordance with the provisions listed below.

- A. All full time employees governed by the collective bargaining agreement between the UTU-Y and the Soo Line Railroad that are over age twenty-one (21) with six (6) months of service will be allowed to participate in the Plan.
- B. Subject to an election by an eligible employee, the Soo Line will arrange for payroll deductions to facilitate employee contributions to the Plan.

Employees may elect to contribute up to 20% of their before-tax income to the Plan. The option to change this election will be afforded the first of each calendar year.

Employee contributions, adjusted for investment gain and losses, will be 100% vested.

Contributions will be limited to the maximum allowable under IRS regulations, (\$14,000 for 2005 adjusted by the IRS in future years), and are subject to an annual discrimination test.

Note: Salary Reduction Catch Up Contributions provisions will be implemented allowing Plan participants age 50 and older to make an additional \$4,000 of Salary Reduction Contributions in 2005 and \$5,000 in 2006 (adjusted by the IRS in future years) without regard to the 20% limit under the Plan or the applicable IRS annual dollar limit for the year.

A trustee will be delegated to invest funds contributed to the Plan in a choice of portfolios, based on the election made by the participating employee.

- C. The Soo Line will establish a review board, consisting of an equal amount of Soo Line management and Union representatives, who will select the investment manager and additionally resolve disputes arising out of the administration of the Plan.

The Soo Line will be responsible for the administration of the Plan including the selection of the Plan's trustee and recordkeeper. As provided under the Employee Income Security Act (ERISA), the Plan will be subject to an annual audit by the Soo Line's external auditors.

- E. An employee may withdraw his funds at any time after termination of employment or disability or after reaching age 59-1/2.

Active employees cannot withdraw these funds without a 10% early withdrawal penalty prior to age 59-1/2, unless they satisfy specific hardship withdrawal guidelines established by the IRS, which includes the purchase of a home, college tuition, and extreme medical expenses.

- F. Soo will be responsible for the administrative costs related to the initial set up and ongoing administration of the Plan. The participating employee will be responsible for all investment management fees.

- G. It is recognized that the 401K Plan, which permits the sheltering of income in such authorized programs, is derived from the application of Section 401(K) of the Internal Revenue Code, as amended, and is thus governed by statutes which may necessitate future amendments to this Plan.

APPENDIX NO. 9

Side Letter No. 15 of Soo/UTU-Y Agreement
Of March 8, 2005

YARDMASTER PERFORMANCE PROGRAM

During the discussion on enhancing yardmaster performance, the Company and UTU-Y recognized that for this to happen a new working relationship between the Yardmasters and the yard management team is essential. This approach focuses on clear communication of expectations, a commitment to Yardmaster development through training, education, coaching and/or mentoring, regular constructive feedback to Yardmasters as to how they are doing, as well as a commitment by Yardmasters to meet business targets and performance expectations.

It is understood that this Program is part of the collective bargaining agreement between Soo and UTU-Y.

UTU-Y has agreed to partner with the Company in designing and delivering training as well as to work with the manager in the training and mentoring of Yardmasters.

The key elements of the Yardmaster Performance Review process will be as follows:

1. The performance targets and expectations for yardmasters will be consistent with those by which the non-union yard supervisory team is measured.
2. These targets and expectations will be clearly communicated to yardmasters during the month of January.
3. Each yardmaster will participate in a mid-year and year-end performance review. The review format and process will be consistent with the process used for the yard management team performance reviews.
4. Each yardmaster will be expected to attain a performance rating of Achieved or better in the semi-annual performance reviews.
5. If performance gaps are noted in the review process, the manager, the Local Chairman and the Yardmaster will design a development plan with specific targets and timelines for expected improvement.
6. The first performance review will be conducted at the end of 2005 and will be used as a learning opportunity for the managers and the yardmasters.
7. Commencing in 2006, should a Yardmaster receive two consecutive performance reviews of less than Achieved rating, he/she will be disqualified as a

Yardmaster. If this occurs, the Yardmaster must be notified in writing of the reasons for which disqualified with a copy to the General Chairman. The Yardmaster may exercise any other seniority (outside the yardmaster craft) in accordance with the applicable agreements.

8. A Yardmaster who has been disqualified may request a review by the Service Area Manager (SAM) within fifteen (15) days of the disqualification.
9. Review meeting will be scheduled and held within 15 days of receipt of request.
10. Yardmaster is allowed Union representation present during review meeting. Review meeting will be taped and turned into a transcript.
11. A decision will be rendered in writing to the Yardmaster and General Chairman by the SAM within fifteen days of the review meeting.
12. If the SAM upholds the disqualification, the Yardmaster and/or his General Chairman can forward the SAM's decision to the Special Board of Adjustment established in accord with Side Letter No. 16 pursuant to the Railway Labor Act, as amended. The decision of the Neutral Member of the Special Board of Adjustment will be final and binding.

APPENDIX NO. 9-A

Side Letter No. 16 of Soo/UTU-Y Agreement
of March 8, 2005

AGREEMENT
BETWEEN THE
UNITED TRANSPORTATION UNION-
YARDMASTER DEPARTMENT
AND THE
SOO LINE RAILROAD COMPANY

For the purpose of establishing a Special Board of Adjustment under Section 3, Second, of the Railway Labor Act, as amended by Public Law 89-456, IT IS AGREED:

- (A) There shall be established an adjustment board which shall be known as a Special Board of Adjustment No. xxxx (number as assigned by the National Mediation Board) hereinafter referred to as the "Board".
- (B) The Board shall only have jurisdiction over a dispute(s) involving the disqualification of a Yardmaster as a result of the performance review process. No other disputes or issues may be added to this Board without the concurrence of both parties.
- (C) The Board shall consist of the Chairman who shall be a neutral person, unbiased as between the parties, and shall be selected by the parties.
- (D) The compensation and expenses of the Neutral Member or Chairman shall be fixed and paid by the National Mediation Board.
- (E) The Board shall meet at a mutually agreed location within thirty days after an appeal to a disqualification has been filed or as soon thereafter as the Neutral Member is available.
- (F) The parties will forward their positions developed on the property to the Neutral Member of the Board no later than 10 days prior to the hearing.
- (G) The Board shall review the record developed on the property. The Board shall have authority to request the production of additional material from either party. The Board's jurisdiction is limited to a determination of whether the Yardmaster has been dealt with fairly and equitably and consistent with the terms of the performance review process and the collective bargaining agreement.

- a. The parties prefer that the Board render a bench decision on the dispute which shall be followed up by a written decision within 30 days. The parties may act on the bench decision. Such decision shall be final and binding on both parties to the dispute, and if in favor of the petitioner, shall direct the other party to comply therewith on or before the date indicated.

- (H) In the event a dispute arises involving an interpretation or application of a decision, the Board, upon request of either party, shall interpret the decision in light of the dispute within thirty days after request for such interpretation is made, provided such request is made within thirty days of the effective date of the decision.

- (I) Should the NMB close the Board, the parties will re-establish a Special Board of Adjustment consistent with the terms of this Agreement.

For the

SOO LINE RAILROAD
COMPANY

(Signed)
Cathryn S. Frankenberg
AVP Labor Relations &
Human Resources – US

For the

UNITED TRANSPORTATION
UNION - YARDMASTERS

(Signed)
Richard W. Miller
General Chairman

Dated: March 8, 2005

APPENDIX NO. 9-B

Side Letter No. 18 of Soo/UTU-Y Agreement of March 8, 2005

This has reference to our discussions relative to annual Yardmaster Skills Update Program as a tool to measure Yardmaster skills and knowledge levels relative to the terminal performance targets. The Yardmaster Skills Update Program will encompass Regular, Unassigned and GEL Yardmasters.

Yardmaster Skills Update will be subject to the following guidelines:

1. The UTU-Y General Chairman and/or Local Chairman will participate in the development and content of the Yardmaster Skills Update.
2. The Yardmaster Skills Update will encompass the areas of Safety, Service, Business and Productivity, and will be pertinent to the specific terminal objectives and targets.
3. An annual Skills Update will be part of the Yardmaster performance review process. A passing score will be at the same level as the Operating Rules exam.
4. A yardmaster who does not pass the Yardmaster Skills Update will be given another opportunity to retake the Yardmaster Skill Update no sooner than one week after nor longer than three weeks after the first attempt. Upon request, the Company will provide assistance to the yardmaster during this time period.
5. The pass requirement will be waived in the first year of Yardmaster Skills Update. The parties will use the results to evaluate the Yardmaster Skills Update. The results will be used to assist the parties in developing training targets.
6. In recognition of successfully passing the Yardmaster's Skills Update, the Yardmaster will be entitled to one additional day off to be taken under the same guidelines as Safety Recognition Days.

Note: The additional day will not start until year 2006.

APPENDIX NO. 9-C

Side Letter No. 19 of Soo/UTU-Y Agreement of March 8, 2005

PERFORMANCE INCENTIVE PLAN

To recognize the contribution each yardmaster makes to the achievement of CPR's business objectives, the Company will provide a Performance Incentive Plan aligned with the arrangement in place for non-union employees on Canadian Pacific Railway.

- At the beginning of each year, the Company will share with the Yardmasters covered by this agreement the objectives established for the management team at that terminal to ensure the yardmasters clearly understand the targets by which they will be evaluated.
- The Plan year will be from January 1 through December 31, except for 2005, which will be from April 1 to December 31st.
- The incentive payment for other than regularly assigned yardmasters will be pro-rated based on the number of days in a Plan year that they worked as a yardmaster. A regularly assigned yardmaster with fewer than 250 days of compensated service under the yardmaster agreement will also have his incentive payment pro-rated based on the actual yardmaster service performed.
- New hire yardmasters will be eligible under this plan after completion of the probationary period.
- The incentive payment will be based on two components, a corporate component and an individual component – the corporate component will be 40% and the individual component will be 60%.
- The corporate component will contain multiple levels of performance and corresponding payout. The Corporate targets will be assigned by the Company at the beginning of each Plan year and will be the same for both Management and Yardmaster payouts.

Threshold Level – 50% of Target Award Level

Target Level – 100% of Target Award Level

Exceptional Level – 200% of Target Award Level

When actual CPR performance falls between threshold and exceptional, the payout level for the Corporate Component will be pro-rated.

If CPR performance falls below the threshold level, no awards will be paid out under the corporate component.

- The target award level for the incentive payment for an Yardmaster who receives Achieved PMP ratings will be 5 % of the yardmaster compensation earned in that Plan year
- The individual component of the incentive payment will be determined by the following scales:

Overall PMP Ratings (Averaged)

Exceeds	150%
Achieved	100%
Partially Achieved	50%

- An example of an incentive payment is as follows:

Assumptions: Target award level for individual component if 5%; compensation as yardmaster in Plan year is \$55,000; PMP Rating is Exceeds and Corporate payout level is at 100% of target.

Individual Component

$$\$55,000 \times 5\% \times 60\% \times 150\% = \$2,475$$

Plus

Corporate Component

$$\$55,000 \times 5\% \times 40\% \times 100\% = \frac{\$1,100}{\$3,575}$$

Should the Performance Incentive Plan change for the non-union employees, a comparable change will be made to this Plan that maintains the same relationship to the yard management team.

APPENDIX NO. 9-D

Side Letter No. 21 of Soo/UTU-Y Agreement of March 8, 2005

EMERGENCY MEETING

During the discussion on enhancing yardmaster performance, the Company and UTU-Y recognized that for this to happen a new working relationship between the Yardmasters and the yard management team is essential. This approach focuses on clear communication of expectations, a commitment to Yardmaster development through training, education, coaching and/or mentoring, regular constructive feedback to Yardmasters as to how they are doing, as well as a commitment by Yardmasters to meet business targets and performance expectations.

Should issues arise preventing this new approach, the General Chairman or the Manager Yard Operations can request that the Vice President, UTU-Y and General Manager, Field Operations, attend an emergency meeting at the involved terminal. This emergency meeting would take place within 30 days of the initial request.

APPENDIX NO. 9-E

Side Letter No. 22 of Soo/UTU-Y Agreement of March 8, 2005

YARDMASTER POSITIONS

This is to confirm the understanding of the parties with respect to the number of yardmaster positions that will be in effect following the completion of the yard redesign project. The parties agree that the assigned yardmaster positions will be as follows for the duration of this contract:

- 16 yardmaster positions handling St. Paul business*
- 8 yardmaster positions handling Bensenville business
- 4 yardmaster positions handling Milwaukee business

*St. Paul includes Glenwood and Superior whenever the consolidation occurs.

This commitment is contingent on CPR continuing to own and operate the terminals.

At each location, the Guaranteed Extra List will be governed by the provisions of the Guaranteed Extra List Agreement, and are not included in this Agreement.

APPENDIX 10

October 4, 2005

Mr. Richard Miller, GC
UTU-Yardmaster Department
PO Box 362
163 Linden Road
Prescott, WI 54021-0362

Dear Mr. Miller:

This has reference to our discussions relative to allowing the option of Direct Deposit for employees represented by the UTU-Y. In connection with those discussions, it is agreed:

- (a) Yardmasters will be paid either through direct deposit to the financial institution of the employee's choice or by direct mail check to the Yardmaster's address on file with the Company.
- (b) Direct Deposit will be handled in accordance with the Rules and Regulations set by the National Automatic Clearing House Association (NACHA).
- (c) Direct deposit payroll stubs will be handled in accordance with the current CPR mailing policy or via Company E-Mail.
- (d) Each Yardmaster covered by this agreement shall provide the necessary information to implement the direct deposit of their payroll check within sixty (60) days following ratification.
- (e) Employees entering the Yardmaster craft will be permitted sixty (60) days to furnish the appropriate direct deposit information.

Please acknowledge your concurrence by signing in the space provided below.

Sincerely,

(s) Cathryn S. Frankenberg
AVP Labor Relations & Human Resources –US

I concur:

(s) Richard W. Miller

Dated: October 28, 2005