AGREEMENT

Between

BURLINGTON NORTHERN RAILROAD COMPANY

and its

YARDMASTERS

Represented by the

UNITED TRANSPORTATION UNION
(YARDMASTERS DEPARTMENT)

Effective

MAY 10, 1997
# Yardmasters Agreement Table of Contents

<table>
<thead>
<tr>
<th>Rule</th>
<th>Subject Matter</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>Basis of Pay</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Hours of Service and Overtime</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Rest Days</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Guaranteed Rotating Extra Boards</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Acquisition of Seniority</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Seniority District</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Right of Appointment</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Exercise of Seniority</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>Bulletining of New Positions and Vacancies</td>
<td>15</td>
</tr>
<tr>
<td>10</td>
<td>Seniority Rosters</td>
<td>16</td>
</tr>
<tr>
<td>11</td>
<td>Bereavement Leave</td>
<td>17</td>
</tr>
<tr>
<td>12</td>
<td>Jury Duty</td>
<td>17</td>
</tr>
<tr>
<td>13</td>
<td>Supplemental Sickness</td>
<td>18</td>
</tr>
<tr>
<td>14</td>
<td>Attending Court</td>
<td>18</td>
</tr>
<tr>
<td>15</td>
<td>Promotions</td>
<td>18</td>
</tr>
<tr>
<td>16</td>
<td>Leave of Absence</td>
<td>19</td>
</tr>
<tr>
<td>17</td>
<td>Instructing Other Yardmasters</td>
<td>20</td>
</tr>
<tr>
<td>18</td>
<td>Automobiles</td>
<td>20</td>
</tr>
<tr>
<td>19</td>
<td>Transportation</td>
<td>20</td>
</tr>
<tr>
<td>20</td>
<td>Cooperation</td>
<td>20</td>
</tr>
<tr>
<td>21</td>
<td>Representation</td>
<td>21</td>
</tr>
<tr>
<td>22</td>
<td>Investigation and Discipline</td>
<td>21</td>
</tr>
<tr>
<td>23</td>
<td>Witnesses</td>
<td>28</td>
</tr>
<tr>
<td>24</td>
<td>Claims and Grievances</td>
<td>28</td>
</tr>
<tr>
<td>25</td>
<td>Agreements</td>
<td>30</td>
</tr>
<tr>
<td>26</td>
<td>Printing Schedule Agreements</td>
<td>30</td>
</tr>
<tr>
<td>27</td>
<td>Union Shop</td>
<td>31</td>
</tr>
<tr>
<td>28</td>
<td>Dues Deduction</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Wage Reduction Authorization Form</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Wage Assignment Revocation Form</td>
<td>43</td>
</tr>
<tr>
<td>29</td>
<td>Reexamination on Rules</td>
<td>44</td>
</tr>
<tr>
<td>30</td>
<td>Training</td>
<td>44</td>
</tr>
<tr>
<td>31</td>
<td>Effective Date and Changes</td>
<td>45</td>
</tr>
</tbody>
</table>
Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Subject Matter</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Scope</td>
<td>46</td>
</tr>
<tr>
<td>B</td>
<td>UTU National Holiday Provisions</td>
<td>48</td>
</tr>
<tr>
<td>C</td>
<td>UTU National Vacation Agreement</td>
<td>51</td>
</tr>
<tr>
<td>D</td>
<td>Mediation Agreement Case No. A-9288 2/2/73</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Art. VI – Deduction of Other Earnings in Discipline Case of 1971 Nat’l Agreement</td>
<td>59</td>
</tr>
<tr>
<td>F</td>
<td>Heath, Life, and Dental Benefits</td>
<td>60</td>
</tr>
<tr>
<td>G</td>
<td>Letter – Effect of Merger Implementing Agreement</td>
<td>61</td>
</tr>
<tr>
<td>H</td>
<td>Letter – Yard Management Systems</td>
<td>62</td>
</tr>
<tr>
<td>I</td>
<td>EEO Clause</td>
<td>63</td>
</tr>
<tr>
<td>J</td>
<td>Personal Leave – 1982 Nat’l Agreement</td>
<td>64</td>
</tr>
</tbody>
</table>

Side Letters

<table>
<thead>
<tr>
<th>Letter Date</th>
<th>Subject Matter</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/12/98</td>
<td>Vacation Pay on the GREB</td>
<td>65</td>
</tr>
<tr>
<td>11/13/98</td>
<td>Overtime Work</td>
<td></td>
</tr>
<tr>
<td>9/30/98</td>
<td>Quasi-yardmasters and Training Yardmasters</td>
<td></td>
</tr>
<tr>
<td>9/30/98</td>
<td>Profit Sharing &amp; Lump Sum Performance Awards</td>
<td></td>
</tr>
<tr>
<td>10/15/93</td>
<td>401(k)</td>
<td></td>
</tr>
<tr>
<td>11/07/97</td>
<td>Force Assignment to Another Terminal</td>
<td></td>
</tr>
<tr>
<td>6/16/00</td>
<td>BNSF Seniority Districts; Yardmasters on the former ATSF</td>
<td></td>
</tr>
<tr>
<td>8/04/00</td>
<td>General Chairman Qualifying for Vacation</td>
<td></td>
</tr>
<tr>
<td>10/12/00</td>
<td>C&amp;S Engineers working as Yardmasters</td>
<td></td>
</tr>
</tbody>
</table>
DEFINITIONS

"Protected Yardmaster" is defined as a Yardmaster who has established seniority as a Yardmaster prior to November 1, 1994.

"ROA Yardmaster" is defined as a Yardmaster who has established seniority as a Yardmaster on or after November 1, 1994.

"Protected Yardmaster's position" is defined as a Yardmaster's position established prior to November 1, 1994, that has not become a "ROA position" and specifically excludes any extra board position established prior to November 1, 1994, under local understandings or practices.

"ROA position" is defined as any Yardmaster's position established on or after November 1, 1994, any "protected Yardmaster's position" that becomes a right of appoint position pursuant to the provisions of Rule 7 of this agreement, and any guaranteed extra board position.

RULE 1. BASIS OF PAY

A. Effective November 1, 1994, existing rates of pay applicable to Yardmaster positions will be abolished and new equity-adjusted rates of pay will be established.

B. Effective November 1, 1994, Yardmaster daily rates will be as follows:

<table>
<thead>
<tr>
<th>Regular Yardmaster Positions</th>
<th>$190.00/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Extra Board Positions</td>
<td>$170.00/day</td>
</tr>
</tbody>
</table>

C. Since the intent and effect of this Rule is to establish equity-adjusted rates of pay rather than to provide for general wage increases to existing rates, no earnings guarantee under any labor protective conditions, including those imposed by the Interstate Commerce Commission or established by any labor protective agreements, will be changed or adjusted as a result of the equity rate adjustments made by this Rule.
D. As part of this equity adjustment, it is understood that the Cost of Living Adjustments set forth in Article II, Parts A and B of Document "B" of the "Implementing Documents" dated November 1, 1991, are hereby abrogated and will not be applicable on the Burlington Northern Railroad.¹

E. Article IV (B) - Lump Sum Performance Awards, as contained in the Agreement between the parties hereto effective November 1, 1994, is modified as follows:

The maximum performance award that a Yardmaster may receive, calculated as a percentage of the eligible Yardmaster's previous year's earnings as a Yardmaster, will be based upon the percentage of ICP payout as determined by the Board of Directors for application to exempt Employees' ICP payments.

<table>
<thead>
<tr>
<th>Percentage of ICP Payout</th>
<th>Maximum Performance Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>81-100%</td>
<td>6%</td>
</tr>
<tr>
<td>61-80%</td>
<td>4%</td>
</tr>
<tr>
<td>41-60%</td>
<td>2%</td>
</tr>
<tr>
<td>40% or below</td>
<td>0%</td>
</tr>
</tbody>
</table>

RULE 2. HOURS OF SERVICE AND OVERTIME

A. Eight (8) consecutive hours or less shall constitute a day's work.

B. All time worked in excess of eight (8) hours shall be paid for at the rate of time and one-half on the minute basis.

¹ General Wage Increases and Cost-of-Living Lump Sum Payments applicable between July 1, 1995 and July 1, 1999 are contained in the Memorandum of Agreement between the parties effective November 1, 1994.
C. Yardmasters exercising their seniority or Yardmasters holding a regular relief assignment, when working two shifts within the 24-hour period, shall be paid the straight time rate of pay for each shift.

D. Yardmasters shall not be required to work more than 16 consecutive hours in any 24-hour period.

E. Yardmasters shall not be required to commence a tour of duty in less that 8 hours after being relieved from a previous shift.

F. Any existing agreement provisions requiring that Yardmasters receive an uninterrupted meal period or specified time periods for a meal period are eliminated, and no Yardmaster may progress any claim or grievance on the basis of not receiving an uninterrupted meal period.

1. Yardmasters may be allowed to consume a meal while on duty. When so taken, yardmasters will arrange to take a meal at a time when so doing will not interfere with the performance of their duties and the efficient operation of the terminal complex or yard.

G. Any existing agreement provisions or practices that result in additional compensation to yardmasters for turnover time are eliminated.

H. In regard to paragraphs F and G of this Rule, the parties hereto recognize that the nature of the position precludes a standard uninterrupted meal period and that a certain period of time is necessary at change of shift to provide a turnover to the relieving Yardmaster. The equity rates of pay established under Article I of the November 1, 1994 Agreement (and reproduced herein as Rule 1) take these elements of a Yardmaster's position into account.
1. Where three shifts are worked during the 24-hour period, the starting time of the first shift shall be not earlier than 6:00 a.m. nor later than 8:00 a.m.

J. No regular assignment shall begin between the hours of 12:01 a.m. and 6:00 a.m.

RULE 3. REST DAYS

A. Except as otherwise provided in this rule, two consecutive rest days off duty in seven will be designated for each regularly assigned Yardmaster's position. If the regular incumbent of such position is required to perform service on either or both of the designated rest days, s/he will be paid therefor at the rate of time and one half.

B. In establishing rest days, they will, so far as consistent with the requirements of the service, be arranged in accordance with the dates of the Yardmasters to be relieved, the senior Yardmaster to have preference.

C. After rest days are once established, they may be changed by mutual agreement, of the local representative and the operating officer in charge of the yard. It is understood that a Yardmaster will not be paid at overtime rate for more than two rest days within any seven-day period.

D. Where rest day requirements regularly provide five days' work in seven, regularly assigned relief Yardmasters' positions shall be established and Yardmasters assigned to such relief positions will take the rate of pay, starting time and working conditions of the positions relieved.

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 s/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. S/he will be paid on straight time basis from Friday of preceding week to and including Friday of current week.

F Extra Yardmasters worked as such in excess of five consecutive days shall be paid one and one half time the basic straight time rate for work on the sixth and seventh days, but shall not have the right to claim work on such day or days.

G The days off of extra or unassigned Yardmasters need not be consecutive.

H Any tour of duty of extra or unassigned Yardmaster in the exercise of 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 Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees in the same terminal.

RULE 4 GUARANTEED ROTATING EXTRA BOARDS

A The Carrier may, at its discretion, establish or abolish Guaranteed Rotating Extra Boards, hereinafter referred to as the GREB, for Yardmasters at any terminal complex or yard. Regulation of the number of assignments established or maintained on the GREB in any terminal complex or yard will be governed by the Carrier.

All Yardmaster positions on the GREB will be considered as regular permanent assignments and will be "Right of Appointment" positions under the provisions of Rule 7 of this Agreement. Employees assigned to a GREB will work on a first-in, first-out rotating basis and will not have assigned rest days.
B Yardmasters will receive not less than the equivalent of five days' pay at the applicable "Guaranteed Extra Board Position" rate of pay for each week of seven (7) consecutive calendar days beginning with Monday while assigned to the GREB. After an employee has worked five (5) days during a seven (7) day work period, s/he may elect to take the remaining days off as rest days without penalty or work those days according to the overtime provisions of this agreement. To insure availability of GREB personnel, the starting day of the work week for one or more positions may be staggered.

A Yardmaster who does not hold a regular assignment on the GREB for an entire week will receive not less than the equivalent of one (1) day's pay for each day s/he is available for service on the GREB board, limited to five (5) out of seven (7) days. Yardmasters assigned to or reduced from the extra board, regardless of the time of day, shall utilize that calendar day in the computation of the amount of the employee's payroll period compensation guarantee.

The term "Calendar Day" is understood to encompass the 24-hour period from 12:00 midnight to 12:00 midnight each full calendar day.

C The guaranteed rate of pay applicable to these assignments will be a minimum of $170 as currently listed in Rule 1 of this Agreement, and subject to all the general wage increases for each day protecting the GREB and not used. However, if called to fill a vacancy, that employee will be paid at the full rate of pay of $190 as currently listed in Rule 1 of this Agreement, subject to all the general wage increases. Payment of this guarantee shall be made in the payroll half in which the guarantee was incurred.

Payroll periods are understood to commence on the 1st and 16th of each month.
If a Yardmaster’s payroll period compensation guarantee computed in accordance with the terms of this agreement exceeds such employee’s actual compensation for that payroll period (excluding pay at the time and one-half rate for working on a holiday), the employee shall be paid the difference.

D. A GREB Yardmaster who for any reason is not available for service for each 24-hour period or any fraction thereof due to laying off or missing a call will have his/her guarantee reduced by $170 as currently listed in Rule 1 of this Agreement, subject to general wage increases, for each calendar day that s/he remains unavailable. Should a Yardmaster accept service in the same calendar day as a Yardmaster that s/he had missed service, s/he will not have the guarantee reduced for that calendar day.

A Yardmaster who misses two (2) calls, lays off on call on two (2) separate occasions or any combination thereof in a payroll period will forfeit guarantee for that payroll period. Paid leave such as bereavement leave, jury duty, personal leave day or vacation pay will not be counted as a lay off against the guarantee.

When a GREB Yardmaster misses a call or lays off on call, s/he will be dropped to the bottom of the board following the Yardmaster who worked the assignment or at the end of shift of the assignment missed. This will not prevent the use of said Yardmaster who missed the call or laid off on call if needed in emergency.

E. There will be three (3) daily call periods which will not exceed four (4) hours each during which Yardmasters assigned to a GREB will make themselves available for service. These designated call periods will commence two (2) hours prior to the earliest designated starting time for each shift and continue through one (1) hour after the latest starting time period for each shift. If a GREB Yardmaster misses a call placed during the call period for an assignment on the immediate shift, s/he will be moved to the bottom of the GREB in accordance with the provisions of Section D above. Calls will be made sufficiently in advance in order for the employee to get to the assignment timely.
Calls may be made to a GREB Yardmaster during hours outside the call periods, but the employee will not be considered as missing a call under such circumstances if not contacted.

F. A Yardmaster cannot be assigned to an extra board unless the Yardmaster is qualified to protect (and is not restricted from performing) all service that is protected from that extra board. Qualifications will be determined by the Carrier. It is understood that the responsibility for qualifying rests solely with the employee and will not be paid for by the Carrier.

G. There shall be no duplication or pyramiding of benefits to any employees under this agreement and/or other agreements or rules.

H. Nothing contained herein shall be construed as modifying, amending, or superseding any of the provisions of the current Yardmasters' Schedule Agreement between the parties except as specifically provided here. This agreement will be the only agreement applicable to Yardmaster guaranteed extra boards. Any rules, practices, and/or understandings in connection with yardmaster extra boards that are in conflict with the terms of this agreement are likewise superseded.

RULE 5  ACQUISITION OF SENIORITY

A. After an employee has completed thirty (30) actual shifts as Yardmaster in 12-month period, s/he will be given a seniority date as Yardmaster on the calendar day following the thirtieth such shift. Such service is cumulative and need not be performed on consecutive days. An employee completing such thirty shifts as a Yardmaster shall not thereafter be disqualified for such service other than as hereinafter provided in Rule 22A. An employee found incompetent or unqualified for such service prior to the completion of thirty shifts will, upon request, be advised of the reason for such disqualification. Yardmasters with a seniority date as such established before November 1, 1994, will be
entitled to choice of positions in accordance with their seniority as provided in this Agreement.

B. Any Yardmaster shift compensated at the rate associated with the Guaranteed Yardmaster's Extra Board or paid as training or "breaking in" will not be considered as an "actual shift" as contemplated by this Rule.

RULE 6. SENIORITY DISTRICT

Yardmasters will hold seniority in all yards in their seniority district allocated as follows:

A. EASTERN SENIORITY DISTRICT:
Chicago to St. Croix Tower, southward to and including Paducah and St. Louis; westward to Missouri River, Iowa-Nebraska and Iowa-Missouri borders, excluding Council Bluffs and Pacific Junction.

Seniority at Kansas City and St. Louis will be provided in Implementing Agreement No. Agreement No. 1 dated May 9, 1980.

B. CENTRAL SENIORITY DISTRICT:
Westward from the Missouri River, Iowa-Nebraska and Iowa-Missouri borders to but not including Hutley and Fromberg, and including Council Bluffs and Pacific Junction.

C. NORTHERN SENIORITY DISTRICT:
Ashland, Wisconsin, St. Croix Tower and Sioux City, westward to and including Opheim, Bainville and to but not including Billings.
D. **WESTERN SENIORITY DISTRICT:**
Westward from but not including Bainville, and from and including Billings.

E. **TEXAS SENIORITY DISTRICT:**
The territory recognized as being that of the former Fort Worth and Denver Railway Company and that territory referred to as the Joint Texas Division.

F. **FRISCO SENIORITY DISTRICT:**
The territory recognized as being that of the former St. Louis - San Francisco ("Frisco") Railway Company

**RULE 7. RIGHT OF APPOINTMENT**

A. The Company has the right of appointment only in the following situations:

1. Any Yardmaster position established after November 1, 1994.

2. All guaranteed extra board positions.

3. Any Yardmaster position that remains at a terminal complex or yard as the result of retirement, resignation or death of a Yardmaster, after the vacated position has been subject to existing rules governing seniority selection.

B. "Right of appointment" means the Carrier has the right and sole discretion to select the employee who will be assigned to Yardmaster positions that are "right of appointment" positions (ROA positions).
C. Once a Yardmaster, who has established seniority as such, has been assigned to an ROA position and has worked thereon for more than 60 full shifts, if s/he is subsequently removed from the ROA position and another employee is assigned to the ROA position, the employee who is removed may challenge his or her removal through the formal grievance procedure. To successfully challenge the removal from the ROA position, s/he must show that the Carrier's decision to remove him or her from the position was without just cause. It is understood that assignments due to reasons such as reductions and rearrangement of Yardmaster positions, assignment of a more qualified Yardmaster, reassignment due to declining performance and reassignments to broaden a Yardmaster's work experience would constitute just cause. (It is understood that the listing of examples in the preceding sentence is intended to set forth reasons for reassignment which the parties discussed and agreed would constitute just cause for removing a Yardmaster from a ROA position and replacing him or her with another employee, and will not be construed to mean or imply that reassignments for reasons not set forth in the examples would be deemed to be lacking just cause for reassignment.)

D. Subject to Rule 9(A)(2) of this Agreement, the bulletin and bid procedures will not apply to ROA positions. Employees selected for ROA positions will not be subject to displacement from the position unless the Carrier authorizes the displacement.

E. Notwithstanding any other provision of this agreement, including the restrictions in Section B, employees establishing Yardmaster seniority after the effective date of this agreement will not be entitled to bid for or displace onto Yardmaster positions. Employees who establish seniority on or after November 1, 1994, will be assigned to positions only by appointment by the Carrier.

F. Temporary vacancies on ROA positions may be filled, at the Carrier's discretion. If the vacancy is filled, the Carrier may select the employee that will fill the vacancy.
RULE 8  EXERCISE OF SENIORITY

A. When a protected Yardmaster's position is abolished or a protected Yardmaster is displaced, the incumbent of such position must exercise seniority to displace any junior protected Yardmaster on a protected Yardmaster's position in the same terminal, or may displace any junior protected Yardmaster on the seniority district who is on a protected position.

Protected Yardmasters exercising seniority to displace junior regularly assigned protected Yardmasters on protected Yardmasters' positions outside the terminal in which working must do so within seven (7) calendar days from the day displaced or day their position was abolished at the terminal in which working at the time of such occurrence.

B. If a Yardmaster is unable to hold a regular position as such in the terminal in which working, including appointment to a ROA position, s/he may revert to the craft from which promoted to Yardmaster but will be required to protect any temporary Yardmaster vacancies for which s/he is available at that terminal.

NOTE: The phrase "...the terminal in which working..." is understood to mean any terminal complex or yard where the Yardmaster is assigned and performs service -- regardless of craft.

C. A displaced protected Yardmaster will not be required or compelled to exercise Yardmaster seniority outside the terminal in which working.

D. For the purpose of applying this rule, all yards within the same switching limits will be considered within the same terminal.

E. When forces are increased, protected Yardmasters who have been laid off because of not having sufficient seniority to hold positions, shall be returned to positions as Yardmasters in accordance with their seniority on protected Yardmaster's positions, or appointed to ROA positions, in preference to the promotion or employment of others.
F. Between January 1 and January 10, and July 1 and July 10, of each year, a protected Yardmaster who has been filling a protected Yardmaster's position for more than sixty (60) calendar days, may exercise seniority over a junior protected Yardmaster holding a protected Yardmaster's position at the same terminal.

G. A senior protected Yardmaster in the same yard or sub-yard may, upon 12 hours notice in advance of the starting time, fill a temporary vacancy of three consecutive days or more on a protected Yardmaster's position or a permanent vacancy on a protected Yardmaster's position during the ten day bulletin period. Thereafter, this senior protected Yardmaster must protect the temporary vacancy on the protected Yardmaster's position for its duration, or the permanent vacancy on a protected Yardmaster's position, until assignment of a Yardmaster thereto is made by bulletin.

Protected Yardmasters will remain on such vacancies until the completion of the shift on the last working day of the vacancy and then must exercise seniority back to their regular protected Yardmaster's position, or they may exercise seniority to a new temporary vacancy on a protected Yardmaster's position of three consecutive days or more subject to the 12 hours advance notice.

Yardmasters filling vacancies that are more than five working days in duration will observe the rest days of that vacancy, complying with provision of the second paragraph of this Section G.

H. A Yardmaster desiring to relinquish Yardmaster seniority and revert to a former craft must advise the Carrier of his or her intention, in writing, thirty (30) days in advance, unless such a notification period would create undue hardship. Such Yardmaster

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"Notice," as contemplated by this Rule, may be verbal, but this Notice must be promptly confirmed in writing, by FAX, or in some other verifiable form.
will then relinquish all accumulated seniority as a Yardmaster and his or her name will be removed from the seniority roster.

I. Except as provided hereinbefore, a Yardmaster will be required to hold a regular assignment, including a position on the Guaranteed Rotating Extra Board, or forfeit seniority rights. Other duly qualified Yardmasters will constitute the yardmasters' extra list and must protect all Yardmaster service for which they are available or forfeit seniority rights. It is understood that an extra Yardmaster is not considered to be "available" when s/he has already worked one shift as Yardmaster on the same calendar day, except if there is no other extra Yardmaster available who has not already worked that day. Yardmasters on the extra list may accept service in other classifications in which they may hold rights when they are not required for Yardmaster service.

J. An extra Yardmaster will not have the right to claim extra Yardmaster work in excess of five shifts in a period of seven consecutive days starting with Monday.

K. At each terminal where yardmasters are employed Burlington Northern will maintain a list of the names of Yardmaster candidates. Such list will be furnished to the General Chairman of the United Transportation Union - Yardmasters Department. This list may be amended at any time that the appropriate Carrier Officer feels necessary by notifying the General Chairman ten days in advance of the date that the amended list will be used. This list of employees will be known as the Yardmaster Candidate List.

Temporary vacancies on protected Yardmaster's positions as defined in Rule 9B may be filled by calling Yardmaster candidates from this list when there are no extra Yardmasters available to fill the vacancies, except as follows:

If the filling of a vacancy on a protected Yardmaster's position as provided above will result in the payment of punitive rate (one and one-half times pro rata rate) to an employee working in the same craft as the Yardmaster candidate who would be called,
such Yardmaster candidate will not be called, but the vacancy will be filled as provided below:

(a) First, by the Yardmaster who fills the same position on other days of the week, either a regular or assigned relief Yardmaster, and who is on a rest day, or.
(b) Second, by the senior Yardmaster who is on a rest day, or.
(c) Third, by the senior available regular Yardmaster.

To be available for call to fill such vacancy, regularly assigned Yardmasters must have indicated their desire for such call by placing their name on a list which will be maintained for that purpose at each terminal.

A regularly assigned protected Yardmaster may not fill vacancies if by filling the vacancy and working his or her own assignment it will result in an Hours of Service violation.

**RULE 9. BULLETINING OF NEW POSITIONS AND VACANCIES**

**A. New Positions and Permanent Vacancies**

(1) Except as provided in Paragraph B of this Rule, vacancies that exist on protected Yardmaster's positions due to a Yardmaster laying off for a period of thirty (30) days or more will be bulletined as permanent vacancies.

(2) When a new position is established, Notice will be posted for a ten (10) day period on the seniority district. New positions are right of appointment positions and the purpose of the Notice provided for by this Section is simply informational.
NOTE: In the event a protected Yardmaster's position is abolished and within a period of one (1) year a "new" Yardmaster position is established that performs substantially the same work as the one that had been abolished, the "new" position will not be deemed to be a right of appointment position.

(3) When the starting time of a regularly assigned protected Yardmaster's position is changed more than two hours or when there is a substantial change in duties or territory, such change shall be bulletined for a period of ten (10) days, and the senior qualified protected Yardmaster on the seniority district applying will be assigned. If no bids are received, the senior protected Yardmaster at the terminal complex or yard not holding a regular position will be assigned. If none, the position will become right of appointment.

(4) A protected Yardmaster who is absent from service during the entire bulletin period of a permanent vacancy on a protected Yardmaster's position shall not be considered as having passed up the vacancy and upon return to service may exercise seniority thereto if the position is held by a junior Yardmaster. Seniority must be exercised prior to any service.

B. Yardmaster Temporary Vacancies

A vacancy on a protected Yardmaster's position created by a regularly assigned protected Yardmaster being absent from the assignment for thirty days or less shall be filled as a temporary vacancy as provided in Rule 8.

RULE 10. SENIORITY ROSTERS

A. Seniority rosters shall be revised as of January 1 of each year and copies furnished the Local Chairmen and General Chairman within thirty (30) days thereafter.
Rosters shall be subject to protest and correction for a period of sixty (60) days from the date of delivery, and no change will be made thereafter unless protest has been filed in writing within the time limitation herein specified with the officer who made the roster. Typographical errors may be corrected at any time.

B Yardmasters on leaves of absence at the time the roster is posted will be granted sixty (60) days after their return to active service in which to make protest as to seniority date.

RULE 11 BEREAVEMENT LEAVE

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, spouse or spouse's parent. The three calendar days need not be consecutive if the intervening non-paid days are the Yardmaster's rest days. 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 provision 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.

RULE 12 JURY DUTY

When a regularly assigned Yardmaster is summoned for jury duty and is required to lose time from his or her assignment as a result thereof, s/he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his or her position for each day lost less the amount allowed 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 Carrier 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 the railroad service account of jury duty the Carrier shall have the option of determining whether or not the Yardmaster's regular position shall be blanked, notwithstanding the provisions of any other rules.

RULE 13. SUPPLEMENTAL SICKNESS

Yardmasters subject to the scope of this Agreement will be covered by the Supplemental Sickness Plan, Contract 9000, effective July 1, 1991, issued by Trustmark Insurance Company (Mutual), as amended by subsequent Agreements.

RULE 14. ATTENDING COURT

Yardmasters attending court on request of the Management will receive their regular rates of pay and be reimbursed for expenses while away from their headquarters, witness fees and mileage allowed to be assigned to the Company. Such service on rest days shall be paid for under the provisions of Rule 3.

RULE 15. PROMOTIONS

Yardmasters promoted to official positions with the Burlington Northern Inc., its subsidiaries, or the United Transportation Union (including General Yardmasters not covered by the terms of this agreement) will not forfeit any seniority provided they report for duty within thirty (30) days from the termination of their connection with such position.
RULE 16. LEAVE OF ABSENCE

A. Yardmasters will not be granted leaves of absence to exceed ninety (90) days in any period of twelve (12) consecutive months, except as provided for in Rule 15 and in cases of physical disability of employees or members of their immediate families, unless approved by the appropriate regional officer and the General Chairman in writing. Extension of leaves of absence may be granted by mutual agreement between the parties signatory hereto.

B. Except through agreement between the Management and the General Chairman before the occurrence takes place, employees who secure outside employment while on leaves of absence shall be considered out of service, and their seniority shall be terminated.

C. An employee who fails to report for duty at the expiration of leave of absence shall be considered out of service, except when failure to report on time is the result of unavoidable delay, in which event the leave of absence will be extended to include such delay.

D. A protected Yardmaster reporting for duty after leave of absence may either return to his or her former position (if it was a protected Yardmaster's position) or exercise seniority rights over junior employees assigned to a protected Yardmaster's position arising during his or her absence. If the position has been abolished or a senior protected Yardmaster has exercised displacement rights thereon, the protected Yardmaster may within ten (10) working days after return, exercise seniority rights the same as though s/he had been in actual service. This rule also applies to employees returning from military service and from vacation.
E. Yardmasters desiring to return to work before the expiration of the period of leave of absence will give at least twenty-four (24) hours advance notice of such desire.

RULE 17 INSTRUCTING OTHER YARDMASTERS

A Yardmaster may be required to instruct other Yardmasters. When required to instruct student Yardmasters, Yardmaster candidates, extra, unassigned, or substitute Yardmasters who are "breaking in" with the on-duty Yardmaster, the on-duty Yardmaster so required will be allowed 1.1 times the regular daily rate for each full tour of duty that a trainee is assigned to (and working with) the on-duty Yardmaster.

RULE 18 AUTOMOBILES

Yardmasters will not be required to use their automobiles except when mutually agreeable and when requested to do so. Yardmasters authorized by the Carrier to use their automobile in connection with their work will be paid mileage at the standard rate per mile authorized by the Company for actual mileage made in the performance of railroad service.

RULE 19 TRANSPORTATION

When Yardmasters choose to take positions requiring them to change locations of their homes, transportation shall be furnished to their families and household goods.

RULE 20 COOPERATION

The spirit of cooperation is essential to the efficient operation of the yards. Yardmasters are expected to, and will continue as heretofore, to cooperate with the Management in expediting traffic in their yards.
RULE 21  REPRESENTATION

Subject to the provisions of the Railway Labor Act, the right of the General Committee of the United Transportation Union - Yardmasters Department to represent Yardmasters coming within the scope of this agreement is conceded, and all matters relating to the application of this agreement shall be handled in accordance with the interpretation of this agreement as agreed upon by the Management and the above mentioned General Committee and/or the officers of the Organization of which such committee is a part.

RULE 22  INVESTIGATIONS AND DISCIPLINE

A  GENERAL REQUIREMENTS

(1) No employee shall be discharged, suspended, censured (reprimanded), or otherwise disciplined without just cause determined by a fair and impartial hearing, except that an employee may waive a hearing in accordance with paragraph B(2) of this Agreement.

(2) No employee shall be held from service pending hearing except in serious cases, such as theft, altercation, Rule "G" violation, insubordination or other such serious misconduct, whereby the employee's retention in service could be hazardous.

(3) Employees alleging unjust treatment may file a written request with the appropriate Carrier Officer for a formal investigation of the grievance.

B  FORMAL HEARING

(1) Notice of Hearing
(a) An employee directed to attend a hearing to determine responsibility, if any, in connection with an incident shall be notified in writing by certified mail, return receipt requested, to the last known address within ten (10) days from the date of occurrence. When an occurrence is not immediately known to the Carrier, the employee shall be notified, as provided above, within ten (10) days from the time Carrier has knowledge of the occurrence upon which the charge is based. The notice shall contain a clear and specific statement of the matters to be investigated and the nature of the charge or charges which are brought against those named as principals. It shall include the date, time, place and nature of the occurrence or incident. The notice shall be sent in duplicate by certified return receipt so that the employee may furnish copy to his/her representative.

NOTE: This Rule does not preclude a Carrier representative from delivering the notice at the employee's work location. Such delivery shall be evidenced by a receipt signed by the accused employee.

(b) Unless otherwise agreed to, the notice shall state the date, time and place the hearing is to be held, which shall not be less than five (5) days nor more than ten (10) days after the date of notification. Date of notification will be the date the notice is received or first attempted delivery of certified mail (return receipt requested) notice to the last address on record with the Carrier's local officers, whichever date is earliest.

(c) The Carrier will be responsible to produce sufficient witnesses to develop the facts concerning the incident or occurrence being investigated and the notice of hearing shall
include the name of each person receiving the notice, including all witnesses the Carrier intends to call. The employee or the employee's representative may notify the Carrier of other witnesses who may provide material facts, understanding that this does not include any accumulation of witnesses with the same information. Carrier will direct notice to such witnesses, who shall be compensated under provisions of Paragraph E(1) of the Agreement.

NOTE: A witness with material facts is an individual who can give pertinent testimony in connection with the specific occurrences resulting in charges against the employee and without whose testimony all essential facts which to base a decision would not be developed.

(d) The notice shall inform each employee so notified of the right to representation and the right to bring in witnesses.

(e) Forty-eight (48) hours in advance of the hearing, the Carrier and the individual identified as the accused employee's representative will exchange all records, documents, locomotive recorded tapes, etc., as well as any other items to be used as exhibits at the investigation, to allow both parties to prepare for the hearing.

(2) Waiver of Hearing

(a) An employee notified to appear for a hearing shall have the option, prior to the hearing, to meet with the appropriate Carrier official and the employee's representative, to discuss the act or occurrence and the employee's responsibility, if any.
(b) If a disposition of the charges is made on the basis of an employee's acknowledge of responsibility, the disposition shall be reduced to writing and signed by the employee and the official involved and shall incorporate a Waiver of Hearing and shall specify the maximum discipline which may be imposed for the employee's acceptance of responsibility.

NOTE (i): The disposition of cases under this paragraph shall not establish precedence in the handling of any cases.

NOTE (ii): No minutes or other record will be made of the decisions and, if the parties are unable to reach an agreed upon disposition, no reference shall be made to these decisions by either of the parties and any subsequent handling of the charges.

NOTE (iii): In cases where more than one (1) employees is notified to appear for a hearing, all employees cited to attend as principals must agree to waive their right to a hearing, as otherwise provided by this Rule, or the investigation will be held.

(3) Postponements of Hearing

(a) Reasonable postponements at the request of the Carrier or the employee, or his Representative will be granted. Telephone postponement requests must be confirmed in writing.

(4) Conduct of Hearing

(a) The hearing shall be conducted by an officer of the employing Carrier who may be assisted by other officers; however,
there shall be only one presiding officer. When practicable the

hearing shall be held at the home terminal of the employee involved

or in the case where more than one employee, at the home terminal

of the majority of the employees

NOTE: When another Carrier is involved,

this Section will not preclude an officer of

the Carrier from conducting the hearing or

assisting in the hearing recognizing, in any

case, there be only one presiding officer.

(b) The employee shall have the right to be represented at the

hearing by an employee or an Organization representative of the

employee's own choosing. The Local Chairman and General

Chairman may be present and hear all evidence submitted at the

investigation if they desire, however, there shall be only one

representative. The employee and/or the employee's representative

shall have the right to introduce witnesses in the employee's behalf,

to hear all testimony and to question all witnesses.

(c) The accused employee, his representative, or the Carrier,

shall have the right to sequester the witnesses.

(d) An employee's personal service record will not be

introduced or referred to in the hearing or in the transcript of the

proceedings of the hearing. Only evidence presented at the

investigation and contained in the transcript will be used in

determining guilt or innocence.

(5) If the formal hearing is not held within the time limits specified in

Paragraph B, the employee will not be disciplined, will be paid for all time

lost, and no entry will be made in the employee's personal service record.
(6) The employee witnesses will be permitted time off if requested in order to have sufficient rest prior to and following the hearing.

C. Transcript of Hearing

(1) The Carrier will produce an accurate written transcript of the hearing proceedings. However, this will not preclude the employee or employee's representative from making a record of the proceedings for their own use.

(2) If, during the hearing, a partial transcript is made prior to the conclusion of the hearing such partial transcript will be made available to the employee and the employee's representative upon request, before the hearing is resumed. If electronic recording devices are used and recordings are available for review by Carrier officials, they also shall be made available upon request for review by the employee and the employee's representative at the appropriate Carrier facility.

(3) In all cases a copy of the transcript will be furnished the employee and his representative within thirty (30) days of close of the hearing.

D. Hearing Decision

(1) If the formal hearing results in assessment of discipline, such decision shall be rendered within fifteen (15) days from the date the hearing is concluded, and the employee will be notified in writing of the reason therefore by certified or registered U.S. mail with additional copy provided for the employee representative.
(2) Date of discipline notification will be the date the notice is received or first attempted delivery of certified mail (return receipt requested) notice to the last address on record with the Carrier's local officers, whichever date is earliest.

NOTE: This Rule does not preclude on property delivery of the decision by a Carrier representative. Such delivery shall be evidenced by a receipt signed by the employee.

(3) If the hearing does not result in discipline being assessed, any charges related thereto entered in the employee's personal service record shall be voided.

E. Compensation for Attending Hearings

(1) Witnesses, as referred to in Paragraph (B)(1)(c), who are directed by the Carrier to attend a hearing, shall be compensated for all time lost and, in addition, will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing. Where no time is lost, they will be paid for actual time attending the hearing, with a minimum of four (4) hours, at rate of pay applicable to the last service performed. Employees who are directed to attend the investigation on their assigned rest day will be allowed the overtime rate. Carrier is required to pay the witnesses requested by the employee or his/her representative under provisions of this Rule, provided such witnesses have first hand or material knowledge of the circumstance under investigation and meet the criteria set forth in Paragraph (B)(1)(c) and the note thereto.

(2) When an employee involved in a formal hearing is not assessed discipline, the employee shall be compensated for all time lost. In addition,
the employee will be reimbursed for actual, reasonable and necessary expenses incurred for each day of the hearing. Where no time is lost the employee will be paid for actual time attending the hearing, with a minimum of four (4) hours. at rate of pay applicable to the last service performed. Employees who are directed to attend the investigation on their assigned rest day will be allowed the overtime rate.

RULE 23. WITNESSES

A Yardmaster required to attend an investigation under a labor contract as witness for the Railway Company will be allowed payment therefor on the actual minute basis at straight time rate with a minimum of three hours at straight time rate for such service on a work day outside his or her assigned tour of duty and will be allowed eight hours computed at time and one-half rate for such service on an assigned rest day.

RULE 24. CLAIMS AND GRIEVANCES

A. Non-Applicability

This rule does not apply to requests for leniency reinstatements in discipline cases.

B. Non-Compliance with Time Limit Rule Does Not Set Precedent

Failure to comply with the time limits specified in this rule will not set a precedent or waiver of the contentions of either party as to future application of rules regarding similar or identical claims. When U.S. mail is used the postmark date will apply.

C. Claim and Declination Deadlines

All claims, including claims for guarantee payments, must be filed in writing by or on behalf of the employee or employees with the officer of the Carrier authorized to receive same within sixty (60) days from the date of the occurrence on which the claim is based. The date of occurrence in discipline cases is the date the
notification of discipline is received. Claims not allowed must be declined* by Carrier to the individual employee or his representative, whoever presented the claim, by notice in writing within sixty (60) days from date same is filed, giving the reason for such disallowance. If not so notified the claim shall be allowed.

* the date of declination is the date the payroll printout is delivered to the employee or, in the case of a so-called "letter claim" the date the declination is delivered (mailed) to the individual submitting the claim.

D  Appeal and Declination Deadlines

If claim is to be appealed, such appeal must be submitted in writing by the employee or an Organization representative of the employee's choosing to the designated Carrier Officer within sixty (60) days from the date of notice of disallowance from the Carrier. Failing to comply with this provision the claim will be barred. If such appeal is to be declined the designated Carrier Officer will have sixty (60) days from date of such appeal to do so and if not declined to the appellant in writing within that period the claim shall be allowed. Claims initiated in letter format by a Local Chairman, declined by the designated Carrier Officer, will not be appealed under this Paragraph but may be progressed by the General Chairman under Paragraph H.

E  Right of Representatives to File and Pursue Claims

This rule recognizes the right to representatives of the Organization signatory hereto, to file and pursue claims for and on behalf of an employee or employees (named or unnamed) they represent. The Organization and the Carrier will cooperate to identify the aggrieved employee or employees (when they are unnamed) when the issue is settled on the property or, in the event the claim is not settled on the property, prior to submission of the dispute to a tribunal having jurisdiction to dispose of the claim.

F  Continuing Claims

Claims of a continuing nature (claims that involve a single agreement violation that have ongoing influence) applicable to an employee or employees need not be filed for each alleged violation, but must be resubmitted each sixty (60) days. This recognizes the right of the employee(s) or their representative to file a claim for up to a sixty (60) days preceding the date of the discovery of the alleged violation upon which the claim or grievance is based.

G  Right of Parties to Amend Positions During On-Property Handling
It is further recognized that the General Chairman and/or the Carrier's highest appeal officer are free to amend the respective positions taken by their local representatives with respect to the basis on which a claim is initially premised or declined during its handling on the local level so as to be consistent with their respective positions concerning the meaning and application of the involved rules of the contract.

H Final On-Property Appeal and Declination

Claims appealed by the General Chairman will be submitted to the highest designated Carrier Officer within sixty (60) days of the date of declination by the designated Carrier Officer or the claim will be barred. Highest designated Carrier Officer must decline the appeal within sixty (60) days or claim will be allowed.

The highest designated Carrier Officer and the General Chairman must conference the dispute within one (1) year of the date of the highest designated Carrier Officer's declination. The declaration of the highest designated officer will be binding unless proceedings are instituted to dispose of said issue before a tribunal having jurisdiction within one year of the date of that declination. Failure to institute such proceedings will not establish precedent for any pending or future analogous claims.

1. Deadline for Submission of Dispute to Arbitration

Time limits as stated in this agreement may be extended for any case by mutual agreement between the parties.

RULE 25 AGREEMENTS

Local agreements shall not be implemented prior to approval by the General Chairman and the Carrier's System Labor Relations Officer.

RULE 26 PRINTING SCHEDULE AGREEMENTS

The Railroad Company will have copies of this agreement printed and furnish a copy to each employee affected.
RULE 27. UNION SHOP

A. In accordance with and subject to the terms and conditions hereinafter set forth, all employees of this 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 (60) calendar days of the date they first perform compensated service as such employees 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 s/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 condition agreements.

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

C.1. Employees 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 I 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 employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty (30) 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.

C.2 The seniority status and rights of employees 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 employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this agreement.

C.3 Employees 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 employees 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.

C.4 Employees 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 employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

D. 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.

E.1 Each employee covered by the provisions of this agreement shall be considered by the 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 or Certified 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 noncompliance. Upon receipt of such notice, the Carrier will, within ten calendar days of such receipt, so notify the employe concerned in writing by Registered or Certified 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 s/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 or Certified 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 employee in writing with copy to the organization, by Registered or Certified 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 employee concerned does not request a hearing as provided herein, the Carrier shall proceed to terminate his or her 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.

E.2. The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee 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 employee and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his or her seniority and employment under the Rules and Working Conditions 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 employee or to the organization it may be appealed in writing, by Registered or Certified 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 or Certified 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 employee and the organization shall be properly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision of such appeal is that the employe has not complied with the terms of this agreement, his or her seniority and employment under the Rules and 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.

E.3. If within ten (10) 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 of the employe involved requests such highest officer in writing by Registered or Certified 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 a designated representative, the Chief Executive of the Organization or his or her designated representative, and the employee involved or his or her representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The Carrier, the Organization and the employee 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 appointment and shall be final and binding upon the parties. The Carrier, the employee, and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested. If the position of the employee 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 employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the Carrier, the organization and the employee.

E.4 The time periods specified in this section may be extended in individual cases by written agreement between the Carrier and the organization.

E.5 Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a Carrier and organization will not apply to cases arising under this agreement.

E.6. 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.
E 7. In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

F. 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 E, or ninety (90) 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 s/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.

G. 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 F shall have no time or money claims by reason thereof.

If the final determination under Section E of this agreement is that an employee’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 F, 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 carriers predicated upon any action taken by the Carrier in applying or complying with this agreement or upon an alleged violation, misapplication or noncompliance with any provision of this agreement. If the final determination under Section E of this agreement is that an employe's employment and seniority shall not be terminated, his or her 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.

H 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:

1. 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 or her employe relationship for vacation purposes.

RULE 28. DUES DEDUCTION

A. Subject to the conditions herein set forth, the Carrier will withhold and deduct from wages due employes represented by the Organization amounts equal to
periodic dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Organization.

B. No such deduction shall be made except from the wages of an employee who has executed and furnished to the Carrier a written assignment, in the manner and form herein provided, of such periodic dues, initiation fees and assessments. Such assignment shall be on the form specified in Attachment "A" hereto and shall, in accordance with its terms, be irrevocable for one year from the date of its execution, or until the termination of this Agreement, or until the termination of the rules and working conditions agreement between the parties hereto, whichever occurs sooner. The Organization shall assume full responsibility for the procurement of the execution, and for the delivery to the Carrier, of said wage assignments.

C. Deductions as provided for herein will be made by the Carrier in accordance with an initial deduction list furnished by the Secretary-Treasurer of the Organization thirty days prior to the effective date of this Agreement. Such list will show employee's name, working number, social security number, work location and amount to be deducted. The list will be accompanied by an executed wage assignment, as provided in Section B of this Agreement, for each employee named on the list. Additions or deletions to this list will be made each month as provided in paragraph D of this Agreement. Such additions or deletions will only apply to the number of employees named. Changes in the monetary amount to be deducted will not be changed more than twice a year and not less than a six-month interval.

D. Deductions as provided for herein will be made monthly by the Carrier from wages due employees during the second half of month payroll period. The Carrier will pay, by draft, to the order of the Secretary-Treasurer, United Transportation Union - Yardmasters Department, the total amount deducted promptly after each second half of month pay period payroll is processed. With said draft the Carrier will forward to the said Secretary-Treasurer of the organization in duplicate a list setting forth the deductions that were actually made. The Secretary-Treasurer of the Organization will thereupon mark one copy of this list to show additions or deletions that should be made for the ensuing month and return the corrected list to Manager Disbursement Accounting, Burlington
Northern Railroad Company so that list will be received by the 25th of the month for which deductions are to be made. Each addition to the list must be accompanied by an executed wage assignment as provided in Section B of this Agreement

E. No deduction will be made from the wages of any employee who does not have due for the pay period specified an amount equal to the sum to be deducted in accordance with this Agreement, after all deductions for the following purposes have been made:

1. Final settlement drafts and non-negotiable wage payment errors.
2. Payroll taxes required by law.
3. Railroad Retirement Board.
4. Garnishes and wage assignments, percent required by law.
5. Funded pension plan.
6. Insurance (hospital) (former CB&Q, NP, GN, SP&S, etc.).
7. Employee Credit Union

F. Responsibility of the Carrier under this Agreement shall be limited to remitting to the Organization amounts actually deducted from the wages of employees pursuant to this Agreement and the Carrier shall not be responsible financially or otherwise for failure to make proper deductions. Any questions arising as to the correctness of the amount deducted shall be handled between the employee involved and the Organization, and any complaints against the Carrier in connection therewith shall be handled by the Organization on behalf of the employee concerned.

G. An employee who has executed and furnished to the Carrier a wage assignment may revoke said assignment by executing a revocation notice in duplicate and submitting such revocation to the Secretary-Treasurer of the Organization who in turn will send one copy to the Carrier to support the deletion from the current list of deductions. The revocation notice will be in writing and on the form specified in Attachment "B" hereto.
H. The Organization shall reproduce and furnish as necessary the Wage Assignment Forms as specified in Attachment "A" and the Assignment Revocation Forms as specified in Attachment "B" without cost to the Carrier.

I. No part of this Agreement shall be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee and no part of this or any other Agreement between the Carrier and the Organization shall be used as a basis for a grievance or time claim by or in behalf of any employee predicated upon any alleged violation of, or misapplication or non-compliance with, any part of this Agreement.

J. The Organization shall indemnify, defend and save harmless the Carrier from any and all claims, demands, liability, losses or damage resulting from the entering into or complying with the provisions of this Agreement.

K. In the event the Organization no longer represents any craft or class on the Carrier, then this Agreement becomes void as of the date such representation terminates.

L. In the event Section 2, Eleventh, of the Railway Labor Act, or any of its provisions, for any reason is declared unconstitutional or otherwise invalid, by a court of competent jurisdiction, then, in such event this Agreement shall forthwith be and become terminated, void and of no effect whatsoever.
ATTACHMENT "A"

WAGE DEDUCTION AUTHORIZATION

BURLINGTON NORTHERN RAILROAD COMPANY

and

THE UNITED TRANSPORTATION UNION
YARDMASTERS DEPARTMENT

Employee Identification No. ______________ Social Security No. ______________

Department Presently Assigned ________________________________________________

Employee's Name ___________________________________________________________
(Print) (Last) (First) (Middle initial)

Employee's Home Address ____________________________________________________

Street & No. __________________________________________________________________

City __________ State __________ Zip Code __________

I hereby assign to the United Transportation Union - Yardmasters Department that part of my
wages to pay initiation fees, periodic dues and assessments (not including fines and penalties) as
certified to the Carrier by the Secretary-Treasurer of the Organization as provided in the
Agreement, and I authorize the Carrier to deduct such sum from my wages and pay it over to the
Secretary-Treasurer, United Transportation Union - Yardmasters Department, in accordance with
the Deduction Agreement.

DATE __________ SIGNATURE __________________________ LOCAL NO. ______
ATTACHMENT "B"

WAGE ASSIGNMENT REVOCATION

BURLINGTON NORTHERN RAILROAD COMPANY

and

THE UNITED TRANSPORTATION UNION
YARDMASTERS DEPARTMENT

<table>
<thead>
<tr>
<th>Employee Identification No</th>
<th>Social Security No.</th>
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Department Presently Assigned

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<tr>
<th>Employee's Name</th>
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Employee's Home Address

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<th>Zip Code</th>
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Effective in the next calendar month, I hereby revoke the Wage Assignment Authorization now in effect assigning to the United Transportation Union - Yardmasters Department that part of my wages necessary to pay my periodic dues and assessments (not including fines and penalties), and I hereby cancel the Authorization.

DATE ___________ SIGNATURE ___________________ LOCAL NO. _____
RULE 29  REEXAMINATION ON RULES

When Yardmasters, as defined in Appendix "A", are required to attend periodical re-examination on the General Code of Operating Rules and Safety Rules or instruction classes in connection with their duties as Yardmasters, they will be compensated therefor at the straight time basic rate of the last service performed for the actual time required to be present, computed from the time required to report until released.

This provision is not applicable in connection with examination on rules required for promotion, or when required following return to service after absence from service for any reason such as, but not limited to, illness or furlough. Such payment will not be due an employe for subsequent re-examination account of such failure.

RULE 30  TRAINING

A. Yardmasters are expected to engage in supervisory or technical training as required by the Carrier. When Yardmasters are required to engage in training, they will be paid the straight-time wages lost from their assigned positions. When sent for training away from the point of their assigned positions, Yardmasters will be reimbursed for all actual and necessary expenses according to the expense policy applicable to exempt employees.

B. Where multiple training classes are scheduled for Yardmaster training, Yardmasters will be allowed to select from the available training classes to the extent practicable when it will not cause the Carrier to incur additional costs in connection with the training.

C. In the event a Yardmaster is required to attend training on a regularly assigned rest day, such a training day will be compensated on the basis of a basic day at the overtime rate, subject to the Yardmaster completing a minimum of five basic-day shifts within the previous six days.
D. In the event the Carrier requires a Yardmaster to attend a training session consisting of five consecutive training days, the Yardmaster may be compensated in either of the following two ways. The involved Yardmaster must declare the preference prior to the first day of the five consecutive training days.

1. The Yardmaster will be allowed five days at the basic day rate for the five training days and will take the two calendar days immediately following the five consecutive days of training as rest days. The Yardmaster will then resume his or her regular assignment.

2. The Yardmaster will be allowed payment at the overtime rate for rest days spent during the five consecutive days of training and will resume his or her regular assignment on the first calendar day following such training.

RULE 31. EFFECTIVE DATE AND CHANGES

This Agreement which was originally effective upon consummation of the Burlington Northern Inc. merger March 3, 1970, was amended to become effective July 1, 1982, amended and updated a second time effective May 10, 1997, and shall remain in full force and effect until changed or modified under provisions of the Railway Labor Act, as amended.

Signed at Fort Worth, Texas this 30th day of June, 1997.

FOR THE UNITED TRANSPORTATION UNION

YARDMASTERS DEPARTMENT:

W.J. Carnegie, General Chairman

J.J. Fleets, Vice President - Labor Relations
SCOPE

A. These rules shall govern the hours of service, working conditions and rates of pay of yardmasters employed by Burlington Northern Railroad Company.

Mediation Agreement Case No. A-10183 9/21/78

ARTICLE I - SCOPE AND EMPLOYEES AFFECTED

Existing scope rules shall be amended by the addition of the following:

The duties and responsibilities of a Yardmaster include:

(a) 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 Carrier.

(b) Such other duties as assigned by the Carrier.

September 21, 1978 Letter of Understanding:

This letter confirms our understanding that Article I - Scope and Employees affected - of the National Agreement dated September 21, 1978, covering employees represented by the Railroad Yardmasters of America and the Carriers signatory hereto shall be subject to the following:

1. The purpose of the Agreement is to enumerate the principal duties customarily and traditionally performed by the Craft of Yardmasters.

\[3\] Now the United Transportation Union - Yardmasters Department
2. In the application of this Agreement it is not intended to eliminate any existing rights of the respective parties under the applicable collective agreement.
UNITED TRANSPORTATION UNION
YARDMASTERS DEPARTMENT

NATIONAL HOLIDAY PROVISIONS

The following represents a synthesis in one document of the current holiday provision of the National Agreement of November 29, 1967 and the amendments thereto provided in subsequent National Agreements.

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

Section 1.

Effective January 1, 1983, 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 Eve
(the day before New Year's Day is observed)
New Year's Day
Washington's Birthday
(President's Day)
Good Friday
Decoration Day

Fourth of July
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
(the day before Christmas is observed)
Christmas

NOTE. This rule does not disturb agreements or practices now in effect under which any other day is substituted or observed in place of any of the above enumerated holidays.
Section 2.

Not applicable on Burlington Northern Railroad Company.

(Birthday Holiday)

Section 3.

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 4.

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 Carrier 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 or her regular straight time rate of pay, provided s/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 5.

(See Rule 1)

Section 6.

A. When any of the holidays enumerated in Section 1 hereof falls on a rest day of a regularly assigned Yardmaster, s/he shall receive, in addition to regular pay, one day's
pay at the straight time rate of his regular position, provided s/he fills the 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 s/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 the assigned rest day s/he shall be entitled to one time and one-half payment for service performed pursuant to Section 3 hereof.

B. When any of the holidays enumerated in Section 1 hereof falls during a regularly assigned Yardmaster's vacation period, s/he shall receive, in addition to his regular pay, one day's pay at the straight time rate of the regular position, provided s/he fills the regular position on the last workday immediately preceding and on the first workday immediately following the vacation period. A regularly assigned relief Yardmaster who qualifies for pay for a holiday falling during the vacation period in accordance with the foregoing shall be paid at the straight time rate of the position s/he filled on the last workday immediately preceding the vacation period.

C. The rest day holiday and vacation holiday pay provided by this Section 6 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.
UNITED TRANSPORTATION UNION
YARDMASTERS DEPARTMENT

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 amendments made thereto.

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 of application of any vacation provision, the terms of the appropriate vacation agreement shall govern.

Section 1A.

(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 (100) days during the preceding calendar year.

(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, during the vacation year, will complete eight or more years of continuous service with the employing Carrier.

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Now the United Transportation Union - Yardmasters Department

51
(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, during the vacation year, will complete seventeen or more years of continuous service with the employing Carrier.

(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, during the vacation year, will complete twenty-five or more years of continuous service with the employing Carrier.

Section 1B

Calendar days in each current qualifying year on which a Yardmaster renders no service as such because of his or her own sickness or because of his or her 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 1B. 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 1C.

In instances where employes 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 employes in the Armed Forces subsequent to their employment by the employing Carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing Carrier.

Section 1D.

In instances where an employe 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 the return to railroad service had rendered no compensated service or had rendered compensated services on fewer days than are required to qualify for a vacation in the calendar year of his or her return to railroad service, but could qualify for a vacation in the year of return to railroad service if s/he had combined for qualifying purposes days on which s/he was in railroad services in such preceding calendar year with days in such year on which s/he was in the Armed Forces, s/he will be granted, in the calendar year of his return to railroad service, a vacation of such length as s/he could so qualify for under Sections 1(A)(1), 1(A)(2), 1(A)(3) or 1(A)(4), hereof.

Section 1E.

In instances where an employe 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 the 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 s/he had combined for qualifying purposes days on which s/he
was in railroad service in the year of the return with days in such year on which s/he was in
the Armed Forces. s/he will be granted, in such following calendar year, a vacation of such
length as s/he could so qualify for under Sections 1A(1), 1A(2), 1A(3) or 1A(4), hereof.

(Note to Sections 1A, 1B and 1C: 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 2A

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 2B

(1) When Vacations Are Afforded

(a) A Yardmaster having a regular assignment will be paid
for each working day of the vacation the daily compensation
(excluding casual or unassigned overtime) of such assignment.

(b) A Yardmaster not having a regular assignment will be
paid while on vacation on basis of the average straight time compensation
earned as a Yardmaster in the last payroll period preceding the vacation
during which s/he performed service for the number of vacation days to
which entitled under Section 1.

(2) When Vacations Are Not Afforded
If a vacation is not afforded, payment in lieu thereof will be made no later than the first payroll period in January of the following year, computed on the following basis:

(a) A Yardmaster having a regular assignment will be paid in lieu of vacation the daily compensation (excluding casual or unassigned overtime) of such assignment for the number of vacation days to which entitled under Section 1.

(b) A Yardmaster not having a regular assignment will be paid in lieu of vacation on the basis of the average straight time compensation earned as a Yardmaster in the last payroll period during which s/he performed service preceding the close of the vacation year for the number of vacation days to which entitled under Section 1.

Section 2C.

A Yardmaster who performs service as Yardmaster on any day of the 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 2B.

Section 2D.

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 2E

The vacation provided for in this Agreement shall be considered to have been earned when the Yardmaster has qualified under Section 1 hereof. If 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, s/he shall at the time of such termination be granted full vacation pay earned up to the time s/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 the estate, in that order of preference.

Section 2F

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, 1979 and shall be in full force and effect for a period of one year from January 1, 1979, and continue in effect thereafter, subject to not less than seven months' notice in writing (which notice may be served in 1981 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 "D"

Mediation Agreement Case No. A-9288 2/2/73

In the event a Carrier decides to abolish a Yardmaster position covered by the rules of a collective agreement between the United Transportation Union - Yardmasters Department and a Carrier party hereto, such Carrier shall notify the General Chairman thereof by telephone (confirmed in writing) or telegram not less than ten calendar days prior to the effective date of abolishment. If requested by the General Chairman, the representative of the Carrier and the General Chairman or this representative shall meet for the purpose of discussing such abolishment.

Nothing in this Agreement shall affect existing rights of either party in connection with abolishing Yardmaster positions.

February 1, 1973 Letter of Understanding:

This letter confirms our understanding that Article V - Force Reduction Rule - of the National Agreement dated April 23, 1971 covering employees represented by the Railroad Yardmasters of America is not affected by the terms of the National RYA Agreement of this date and continues in effect.

Now the United Transportation Union - Yardmasters Department
ARTICLE V - FORCE REDUCTION RULE

April 23, 1971 National Agreement

(a) Rules, agreements or practices, however established, that require advance notice to employees before abolishing positions or making force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by paragraph (b) below, provided that such conditions result in suspension of a Carrier’s operations in whole or in part. It is understood and agreed that such force reductions will be confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for the position without having been previously notified not to report, shall receive four hours’ pay at the applicable rate for the position. If an employee works any portion of the day s/he will be paid in accordance with existing rules.

(b) Rules, agreements or practices, however established, that require advance notice before positions are abolished or forces are reduced are hereby modified so as not to require advance notice where a suspension of a Carrier’s operations in whole or in part is due to a labor dispute between said Carrier and any of its employees.
ARTICLE VI - DEDUCTION OF OTHER EARNINGS IN DISCIPLINE CASES
April 23, 1971 National Agreement

It is recognized that where a Yardmaster is dismissed from service for cause and subsequently it is found that such discipline was unwarranted and the employee is restored to service with pay for time lost, it is proper that any earnings in other employment will be used to offset the loss of earnings. This understanding is not intended to change existing rules or practices which now provide for deduction of other earnings in discipline cases.
HEALTH CARE AND LIFE INSURANCE BENEFITS

(Refer to separate booklet entitled "The Health and Welfare Plan of the Nation's Railroads and the Railway Labor Organizations)

DENTAL INSURANCE BENEFITS

(Refer to separate booklet entitled "Railroad Employee's National Dental Plan" - Provided under Aetna Life Insurance Company Group Policy GP 12000.)

EARLY RETIREMENT MAJOR MEDICAL COVERAGE

(Refer to separate booklet on this subject - Provided by United Health Care.)
MEMORANDUM OF AGREEMENT

It is understood and agreed that in application of the collective agreement to which this Memorandum is appended, if there are any conflicts between the rules of such agreement and the provisions of the Merger Protective Agreements and the Merger Implementing Agreements made by the parties, the provisions of the merger agreements will apply.
APPENDIX "H"

YARD MANAGEMENT SYSTEMS

IT IS AGREED EFFECTIVE MARCH 16, 1981

Section 1 - Yardmasters may be required to operate Yard Management System.

Section 2 - This Agreement is in full settlement of the notice served December 16, 1980, by the Railroad Yardmasters of America under the provisions of Section 6 of the Railway Labor Act, as amended, and such notices are hereby withdrawn and closed.
APPENDIX "I"

(a) All collective bargaining agreements relating to rules, rates of pay and working conditions of employees represented by the Organization signatory hereto will be applied to compliance with state and federal laws without regard to race, religion, color, creed, national origin or sex.

(b) The use of such words as "he", "his" and "him," as they appear in such agreements, is not intended to restrict the application of the agreements, or a particular rule, to a particular sex but is used solely for the purposes of grammatical convenience and clarity.
ARTICLE IX - PERSONAL LEAVE

July 1, 1982 National Agreement

Section 1

A maximum of two days of personal leave will be provided on the following basis:

Employees who have met the qualifying requirements under vacation rules in effect on January 1, 1982 for three (3) weeks of vacation shall be entitled to one day of personal leave in 1982 and subsequent calendar years;

Employees who have met the qualifying requirements under vacation rules in effect on January 1, 1982 for four (4) weeks or more of vacation shall be entitled to two days of personal leave in 1982 and subsequent calendar years.

Section 2

(a) 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.

(b) Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.

(c) The personal leave days provided in Section 1 shall be forfeited if not taken during each calendar year. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under these provisions.
Mr W J Cobean  
General Chairman  
United Transportation Union  
Yardmasters Department  
3021 Northeast 72nd Avenue, Suite 9118  
Vancouver, WA  98661

Dear Mr. Cobean:

In reference to Rule 22 as incorporated into the updated Yardmaster's Agreement addressing a uniform investigation rule for UTU represented employees, this letter will serve to confirm our discussions concerning the introduction or reference to an employee's service record during a disciplinary hearing.

During these discussions it was pointed out that in the vast majority of cases an employee's service record is not relevant to the incident being investigated and that such a record may only be used, after the conclusion of the hearing, to determine what discipline is appropriate if a rule violation has been proven. The Carrier expressed concern, however, that entering into such an agreement will eliminate any possibility of pursuing corrective administrative action in cases involving accident or injury proneness.

Accident or injury proneness requires the Carrier, in order to meet the requisite burden of proof, to demonstrate, inter alia, that the accused employee's accident or injury rate is significantly greater than that of other employees similarly situated. By definition, then, it is necessary to make reference to previous accidents or injuries involving the charged employee, and this information is contained on the employee's service record. During our discussion you pointed out, among other things, that the Carrier cannot find fault and discipline an employee based upon a previous injury. You vigorously maintained that time limit rules insulated an employee from any discipline coupled to any previous accident or injury that occurred outside thereof. The Carrier responded that making reference to a
previous accident or injury was simply an act of placing fact on the record. The accident or injury being entered into the record would not generate discipline in and of itself, rather, the information would be entered in order to place on the record evidence that is necessary in order to determine whether or not the cumulative actions of the employee warranted the charge of accident or injury proneness.

The above does not reflect a new dispute between the parties. Of the few hearings addressing accidents or injury proneness, the UTU has objected to the introduction of an employee’s past history, and argued that such an introduction constitutes a violation of the time limit rules and in some cases, double jeopardy. The Carrier argues that because of the nature of certain charges, it is absolutely necessary to make reference to an employee’s past performance in order to provide a complete hearing and develop the evidence necessary to meet the Carrier’s burden of proof obligation. Therefore, it was understood that the Carrier was willing to enter into the agreement signed this date, leaving the language of Article II (d) (3) intact, with the understanding that it is done without prejudice to the Carrier’s position that it has the obligation to address an employee’s service record during accident or injury proneness hearings, and introduce it into the transcript of the investigation, when such record contains information in support of a specific charge. It was further understood that the UTU is not waiving its position on this issue by agreeing to the Side Letter; rather, this Side Letter is a recognition of a legitimate dispute between the parties that will be settled, if necessary, under the Railway Labor Act process for the resolution of a minor dispute.

Sincerely,

[Signature]
Vice President Labor Relations

Agreed:

[Signature]
General Chairman
November 12, 1998

Mr. William J. Cobean
General Chairman
United Transportation Union (Yardmaster Department)
3021 NE 72nd Drive Suite 9118
Vancouver WA 98661

Re: Conference on November 9, 1998; How Vacation Pay affects Yardmasters on the Guaranteed Rotating Extra Board, (GREB)

Dear Mr. Cobean,

We agree that to receive their full guarantee yardmasters on the GREB must be available for service 7 days per week. But after providing 5 out of 7 days actual service, yardmasters may take any remaining days as rest days, without penalty. A yardmaster who accepts service for more than 5 out of 7 days, is paid for performing service on a rest day.

To avoid confusion when calculating rest and vacation days, for GREB yardmasters, vacation days will count as service. So a yardmaster who performs service on 4 days and has 1 day vacation in their 7 day week, will have 5 days service.

If this accurately reflects our understanding please sign and return a copy to me.

William J. Cobean
General Chairman
United Transportation Union (Yardmaster Dept.)

William L. Yeck
Assistant Manager
Labor Relations

LABOR RELATIONS
DEC 01 1998
Ft. WORTH
November 13, 1998

Mr. William J. Cobeau  
General Chairman  
United Transportation Union (Yardmasters Department)  
3021 NE 72nd Drive Suite 9118  
Vancouver WA 98661

Re: Claims Conference held on November 9, 1998; Referable Settlement of YMA 98-02-24AA

Dear Mr. Cobeau,

On December 8, 1997, Mr. Pera was called in 4 hours before the beginning of his shift, then stayed and worked his regular shift, a total of 12 hours. The Carrier paid him 8 hours straight time and four hours overtime. He claimed a basic day for the four hours he worked before his shift, and 8 hours at overtime for working his regular shift. While discussing this claim the question arose: how do we pay yardmasters called to work their assigned position before the start of their normal shift, and then remain to complete their regular shift?

The Case was disposed of based upon the following principles:

Yardmasters receive a basic day for working their assigned position.

Yardmasters called to work more than 2 hours before the beginning of their assigned position, and yardmasters required to work for more than 2 hours after working their assigned position, will receive a basic day for working all or part of a different assigned position.

The overtime rule will apply after a yardmaster has been on duty 8 consecutive hours; payable on a minute basis for all time in excess of 8 hours.

Mr. Pera received 1 basic day plus 4 hours at the overtime rate. According to the above disposition, Mr. Pera should received a basic day for being called in early, plus a basic day for working his assigned position, with 4 hours paid at the overtime rate. Accordingly we will pay Mr. Pera 4 hours straight time.

I Agree:  
William J. Cobeau  
General Chairman  
United Transportation Union - Yardmaster's Dept.

William L. Yeck  
Assistant Manager  
Labor relation
MEMORANDUM OF AGREEMENT
Between
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY
And
THE UNITED TRANSPORTATION UNION (YARDMASTERS DEPARTMENT)

IT IS AGREED:

1. All claims, at any state of progression, concerning so-called "quasi-yardmasters" are hereby withdrawn.

2. Employees holding regular positions as a yardmaster, including the guaranteed extra board, shall receive the full rate of pay under the applicable agreements, without offset for or application of so-called "entry rates."

3. Yardmasters candidates, i.e., employees training to become yardmasters who have not established seniority as a yardmaster, shall be compensated at the guaranteed extra board rate while training.
   3.1 Training including time spent breaking in on positions.
   3.2 Authorization for this training compensation must be secured in advance from the appropriate Carrier Officer before any payment under this Section is made.

4. Rule 24(C) and (D) of the applicable Agreement shall be applied as follows:
   4.1 The Officer of the Carrier authorized to receive claims is the Division Superintendent.
   4.2 This Section 4 does not apply to "regular" pay, i.e., straight time and overtime compensation for time actually worked.
   4.3 Yardmasters may submit a request for payment to the Timekeeping Department. This shall not be considered a claim under Rule 24, however, the yardmaster must be advised, within sixty (60) days should such a request be denied.
      4.3.1 In the event the Timekeeping Department fails to notify the yardmaster that the request for pay is denied within the sixty (60) day period, payment shall be made as claimed, without prejudice to the position of either party concerning the validity of the claim.
   4.4 Section 4.2 above does not prevent the yardmaster, or the representative, from submitting the claim directly to the Division Superintendent.
4.5 Except as specifically addressed under this Section 4, Rule 2 of the applicable agreement remains unchanged.

5. Rule 7(B), (C), (D), Rule 8 (A), (F), and Rule 9(A)(2), will be interpreted as follows:

5.1 A Yardmaster who has a seniority date before November 1, 1994, and is eligible to exercise his seniority, may do so on any Yardmaster position, following the guidelines in Rule 8(A) and (F).

5.1.1 This section will not apply to temporary vacancies on ROA positions.

5.2 New positions and all positions created after November 1, 1994 will still be classified as Right of Appointment positions.

5.3 All Yardmaster positions will be bulletined as outlined in Rule 9. Any Right of Appointment position not filled during its bulletined period, by a protected Yardmaster, will be filled as outlined in Rule 7(B).

Questions and Answers

Q. The intent of Paragraph 5 is to allow yardmasters with a seniority date before November 1, 1994 to exercise their seniority anywhere they are eligible regardless of whether the position is protected or not.

A. Yes.

AGREED:

[Signatures]

William Cobe
President and General Chairman

John J. Fleps
Vice President - Labor Relations

Milton H. Siegel, Jr.
Assistant Vice President - Labor Relations
This Memorandum of Agreement ("Agreement") is entered into by the United Transportation Union (Yardmaster's Department), and The Burlington Northern and Santa Fe Railway Company ("Company").

ARTICLE I

The Profit Sharing for Yardmasters

Effective January 1, 1998, Article IV - Lump Sum Performance Awards as contained in the Agreement between the parties signed on January 5, 1995 and effective November 1, 1994 and Rule 1(E) of the agreement dated June 30, 1997 are abrogated. A new profit sharing plan shall be established for yardmasters according to the following terms in this Article I.

Under the new profit sharing ("PS") plan, each BNSF yardmaster may receive a profit sharing payment no later than April 30 of the year immediately following each "performance" (calendar) year, the first one of which shall be 1998. In each succeeding year, such payment shall equal up to six percent (6%) of the employee's regular earnings (regular earnings exclude any previous year's PS payment and extraordinary things such as any benefit buyout payment, moving/real estate benefit, etc.) as a yardmaster under BNSF pay rules in the performance year. For purposes of this Agreement, regular earnings include earnings for working as a yardmaster, earnings for training as a yardmaster, earnings for attending meetings as a yardmaster, and earnings while temporarily detached from a regular yardmaster's position.

The actual share (up to but not greater than 6%) of each yardmaster's covered regular earnings which the payment under this new PS plan shall equal for a given performance year, shall be determined by the level of (percentage of maximum) payout made under the BNSF Incentive Compensation Plan for exempt employees ("ICP") for the same performance year, based on company-wide goals specified under the ICP. For performance year 1998, those company-wide goals are net revenue from operations ("NRFO") achievement, on-time performance achievement, and safety achievement. For performance year 1998, seventy percent (70%) of each yardmaster's total payment under this new PS plan (up to 6% of his covered regular earnings) shall be based on the company-wide NRFO goal achievement; fifteen percent (15%) shall be based on the company-wide on-time performance goal achievement; the remaining fifteen percent (15%) shall be based on the company-wide safety goal achievement.

If the design of the BNSF ICP itself (not the specific NRFO/on-time/safety goals set from year to year) is ever changed in a way materially affecting its impact on yardmasters covered by the PS plan provided for in this Article I, then the parties shall meet promptly to revise this PS plan in a way which does not adversely affect the interests of yardmasters covered by it or the Company's interests. If the parties cannot so agree, they shall submit the matter to expedited, parties-pay, final and binding arbitration before a single neutral. In such event, the arbitrator shall have jurisdiction exclusively to reformulate the PS plan in a way which has no material adverse effect on either covered yardmasters or the Company.
ARTICLE II

Special One-Time Lump Sum Performance Award

For the performance year 1997, the maximum performance award for eligible yardmasters under the agreement provisions abrogated in Article I above for years 1998 and beyond, was two percent (2%). However, if this Agreement is ratified, within 45 days of such ratification, BNSF will pay to each yardmaster who was eligible for the two percent (2%) Lump Sum Performance Award due under the preceding agreement, an additional, one-time lump sum equal to one and six-tenths percent (1.6%) of his 1997 yardmaster's earnings.

This Agreement is signed by the parties this 30th day of Sept., 1998

FOR THE UNION:

[Signature]
General Chairman, UTU (Yardmasters)

FOR THE COMPANY:

[Signature]
John J. Fleps
Vice President - Labor Relations

[Signature]
Milton H. Siegfried, Jr.
Assistant Vice President - Labor Relations
September 30, 1998

Mr. W. J. Cobean
General Chairman
United Transportation Union
3021 Northeast 72nd Avenue, Suite 9113
Vancouver, WA 98661

Dear Mr. Cobean:

We have talked several times about our new profit sharing program for yardmasters. In our conversations, you have asked me to clarify a few things, which I will attempt to do here.

Yet, the new profit sharing agreement is similar to management's profit sharing plan. Each yardmaster's profit sharing payment is based on his or her regular earnings as a yardmaster. These earnings include earnings for working as a yardmaster, earnings for training as a yardmaster, earnings for attending meetings as a yardmaster, and earnings while temporarily detached from a regular yardmaster's position. Yardmasters don't have to work one hundred thirty shifts to qualify for a profit sharing payment anymore. And last but not least, the profit sharing payments are based on management's ICR goals. The agreement language that established individual terminal goals, that differed from place to place, was eliminated.

Anyway, I believe our agreement is clear on these points, but I wanted to try to answer the questions you raised. I hope this helps.

Very truly yours,

[Signature]
LETTER OF AGREEMENT
BETWEEN
BURLINGTON NORTHERN RAILROAD COMPANY
AND
ITS EMPLOYEES (YARDMASTERS) REPRESENTED BY
UNITED TRANSPORTATION UNION

WHEREAS, Section 401(k) of the Internal Revenue Code provides a tax
advantaged vehicle for retirement savings, and,

WHEREAS, the Burlington Northern Railroad (Carrier) has adopted a 401(k) plan
and desires to make it available to its employees who are not presently covered by
such a plan,

Now, Therefore, the Parties hereto agree as follows:

The Carrier will provide the Burlington Northern Retirement Savings Plan
(Plan) to its eligible employees represented by the Organization signatory to this
Agreement, subject to the following provisions:

1. The Plan will be effective January 1, 1994. Eligible employees may
make contributions as provided in the Plan from their pay checks issued on or
after that date.

2. An eligible employee is an active employee who has completed one year
of service as defined in the Plan.

3. Participation in the Plan by any eligible employee shall be voluntary.

4. Eligible employees may contribute to the Plan only by payroll
deduction.

5. There will be no contributions to the Plan by the Carrier, however, the
Carrier will pay the start-up costs and ongoing administrative expenses of the
Plan, including the administrative fees of the Plan's Trustee.

6. The Carrier will take such actions as may be prudent or necessary to
maintain the tax qualified status of the Plan and of the individual accounts in
the Plan.


For:
Burlington Northern Railroad
Company

For:
United Transportation Union
(Yardmasters)

[Signatures]

November 7, 1994

Mr. J.W. Callan
General Chairman UTU
Yardmasters Department
P.O. Box 520
Western Springs, Illinois 60558

Dear Mr. Callan,

This is in regard to our conversation this date concerning the tentative agreement reached addressing yardmaster positions. During this conversation you indicated that there was concern about the forcing of yardmasters from one terminal to another.

This letter will serve to confirm what I expressed to you over the telephone. The tentative agreement does not expand or reduce any rights or obligations that currently may exist concerning the force assignment of yardmasters from one terminal complex or yard to another.

Sincerely,

[Signature]
AGREEMENT
Between
THE BURLINGTON NORTHERN SANTA FE RAILWAY
And
THE UNITED TRANSPORTATION UNION (YARDMASTERS DEPARTMENT)

PURPOSE: This agreement provides for the establishment of Yardmasters on former ATSF territory.

1. At its discretion, BNSF may establish Yardmaster positions at any location on former ATSF territory.

2. The positions contemplated by this agreement shall be governed by the terms and conditions associated with agreements covering Yardmasters on former BN territory; (with the exception of Pearland and Houston, which fall under the HBT Yardmaster’s agreement).

3. It is understood that in the event that BNSF abolishes any Yardmaster positions established under this agreement, the Yardmaster’s Department of the UTU shall not have any claim to work subsequently performed at any of these former ATSF terminals by exempt employees.

4. The following former ATSF locations will be added to the existing Yardmaster’s Seniority Districts.

<table>
<thead>
<tr>
<th>Seniority District</th>
<th>Former ATSF Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern</td>
<td>Chicago IL. to and including Kansas City.</td>
</tr>
<tr>
<td>Central</td>
<td>Westward from, Holliday Jct. to but not including Amarillo TX, or Las Vegas NM; and South from, Holliday Jct. to but not including Oklahoma City; and west of Denver to but not including Salt Lake City UT.</td>
</tr>
<tr>
<td>Texas</td>
<td>South from Oklahoma City, Amarillo TX, and Las Vegas NM.</td>
</tr>
<tr>
<td>Southwest</td>
<td>The territory recognized as the former ATSF Coast Lines; which is: California, Arizona, and east to, but not including, Belen NM. Also includes all of Nevada and east to and including Salt Lake City, UT.</td>
</tr>
</tbody>
</table>
This agreement goes into effect on June 16, 2000.

Signed this 16 day of June, 2000.

Gene Shire for BNSF

William Cobean for Yardmasters-UTU
August 4, 2000

Mr. W. J. Cobean
3021 N.E. 72nd Drive
PMB 118
Vancouver, WA. 98661

Dear Mr. Cobean,

This is to confirm our conversation regarding qualifying for vacation when working as a “part-time” General Chairman for the Yardmasters Department of the United Transportation Union.

I agreed with you that for vacation qualifying purposes, i.e., counting days in a year to determine whether you qualify for a vacation during a subsequent year, we will count those days you are off due to union business toward vacation qualification. Further, we specifically agreed that this understanding does not apply to any other Union Officers belonging to your Committee.

Sincerely,

Cc: Jerry Coffey Topeka Timekeeping
    Melissa Evans
MEMORANDUM OF AGREEMENT
Between The
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
(Former Colorado and Southern)
And The
BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

IT IS AGREED:

1. Employees possessing seniority as an engineer may accept training and work as a
   yardmaster and shall retain their rights and continue to accumulate seniority as an
   engineer.

2. Engineers accepting a permanent yardmaster assignment (including a full-time extra board) shall
   be permitted to exercise their engine service seniority only in the event they are unable to hold any
   position or assignment in yardmaster service, as stipulated by the applicable UTU Agreement, or
   are involuntarily disqualified. An engineer holding a position as a yardmaster shall not be allowed
   to work as an engineer.

   2.1. This section recognizes the right, under the Yardmasters' agreement, to
       relinquish yardmaster seniority.

3. In order to limit the impact of this section on Engineer extra boards, when an Engineer from the
   extra board is filling a Yardmaster’s permanent or temporary vacancy, or is in Yardmaster
   training, the Carrier will fill that Engineer’s vacancy on the extra board immediately.

4. An Engineer shall not be used as an “emergency” Yardmaster, nor shall a Yardmaster be used as
   an “emergency” Engineer under any circumstances.

5. (a) Employees meeting the qualifications for vacation under more than one agreement may elect
    to take the vacation under the agreement they prefer. If they do not have a sufficient number of
    days to qualify under any one agreement, their vacation will be assigned under the agreement in
    which the preponderance of service was performed.

    (b) Earnings as a yardmaster under this agreement will be combined with
        earnings in engine service when determining the amount to be paid for vacation
        under the engine service agreement.

6. This agreement shall become effective Oct. 12th, 2000.

FOR THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY:

[Signature]
Date: 10-24-00
Gene Shire
General Director Labor Relations
Engineers as Yardmasters on C&S
Page 1 of 1
October 2000

FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:

[Signature]
Date: 10-12-00
Austin G. Morrison
General Chairman, BLE