MEMORANDUM OF AGREEMENT
between the
UNION PACIFIC RAILROAD COMPANY
and
THE UNITED SUPERVISORS COUNCIL OF AMERICA

IT IS HEREBY AGREED:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Disposition of Fractions -

Rates of pay resulting from application of this section which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(b) Application of Wage Increases -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage and working conditions agreement in effect between the Carrier and the Organization. Special allowances not included in fixed daily rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

(c) COLA Payments

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article II, Part B of the USCA
Agreement signed November 8, 2004, shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all daily rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all daily rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all daily rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all daily rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

The Carrier or Organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on Company performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the Company and the appropriate representatives.
Section 2

The parties understand that neither the Carrier nor the Organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the Company nor the Organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under Agreement Signed November 8, 2004

Article II, Part B, of the USCA Agreement signed November 8, 2004 shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2004 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan "), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the Organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 – Plan Benefit Changes

(a) The Plan’s Managed Medical Care Program ("MMCP") will be offered to all employees in any geographic area where the MMCP is not currently offered and United Healthcare, Aetna, or Highmark BlueCross Blue Shield has a medical care network ("white space"). For purposes of this subsection, such “network” shall mean a “point-of-service” network in the case of United Healthcare and Aetna, and a preferred provider network in the case of Highmark BlueCross BlueShield. Employees who live in a white space may choose between coverage under MMCP or the Comprehensive Health Care Benefit, subject to subsection (b) below.

(b) The parties may, by mutual agreement and subject to such evaluation and conditions as they may deem appropriate, designate specific geographic areas within the white space as mandatory MMCP locations. Employees who live in mandatory MMCP locations shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.
(c) United Healthcare and Aetna, respectively, shall apply “nationwide market reciprocity” to employees and their dependents who are enrolled in MMCP. The term “nationwide market reciprocity” is intended to mean, by way of example, that a person enrolled in MMCP with UHC in market A is permitted to get In-network MMCP benefits from a UHC point-of-service network provider in market B.

(d) The current Hearing Benefit provided under the Plan shall be made available to employees covered by this Agreement (and their Eligible Dependents).

(e) The Plan life insurance benefit for active employees shall be increased to $20,000, and the Plan’s maximum accidental death and dismemberment benefit for active employees shall be increased to $16,000.

(f) In addition to the Plan’s existing coverage for cochlear implants, such implants for diagnosis or treatment of hearing loss will be a Covered Health Service under the CHCB and MMCP.

(g) This Section shall become effective with respect to employees covered by this Agreement as soon as practicable.

Section 3 – Vision Care

The benefits provided under the Vision Care Plan shall be changed from the Select to the Standard arrangement as soon as practicable.

Section 4 - Design Changes To Contain Costs

(a) The Plan’s MMCP shall be revised as follows:

(1) The Office Visit Co-Payment for In-Network Services shall be increased to $20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetrics-gynecology, family practice or internal medicine, and $35.00 for each office visit to any other provider;

(2) The Urgent Care Center Co-Payment for In-Network Services shall be increased to $25.00 for each visit;

(3) The Emergency Room Co-Payment for In-Network Services shall be increased to at least $50.00 for each visit, but if the care received meets the applicable Plan definition of an Emergency, the Plan will reimburse the employee for the full amount paid for such care, except for $25.00 if the visit does not result in hospital admission. For purposes of this Paragraph, the phrase “at least” shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement.
(4) The Annual Deductible for Out-of-Network Services shall be increased to $300.00 per individual and $900.00 per family;

(5) The Annual Out-of-Pocket Maximum for Out-of-Network Services shall be increased to $2,000 per individual and $4,000 per family.

(b) The Plan's Comprehensive Health Care Benefits shall be revised as follows:

(1) The Annual Deductible shall be increased to $200.00 per individual and $400.00 per family;

(2) The Annual Out-of-Pocket Maximum shall be increased to $2,000 per individual and $4,000 per family.

(c) The Plan's Prescription Drug Card Program co-payments to In-Network Pharmacies per prescription are revised as follows:

(1) Generic Drug – increase to $10.00;

(2) Brand Name (Non-Generic) Drug on Program Administrator's Formulary – increase to $20.00;

(3) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary – increase to $30.00;

(4) Brand Name (Non-Generic) Drug on Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug- increase to $20.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;

(5) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary that is not ordered by the patient’s physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug- increase to $30.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug.

(d) The Plan's Mail Order Prescription Drug Program co-payments per prescription are revised as follows:

(1) Generic Drug – increase to $20.00;

(2) Brand Name (Non-Generic) Drug on Program Administrator’s Formulary – increase to $30.00;

(3) Brand Name (Non-Generic) Drug Not on Program Administrator’s Formulary – increase to $60.00.
(e) For purposes of the Plan, the term “children” as used in connection with determining “Eligible Dependents” under the Plan, shall be defined as follows:

“Children include:

- natural children,
- stepchildren,
- adopted children (including children placed with you for adoption), and
- your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like.”

(f) The definition of the term “children”, as used in connection with determinations of “Eligible Dependents” under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) Plan Participants and their beneficiaries who live in an area where, as of the date of this Agreement, they may choose between MMCP and CHCB coverage shall no longer have a choice, but shall be enrolled in the MMCP. This subsection is not intended to have any application to employees covered by this Agreement who reside in any geographic area where MMCP is not offered as of the date of such Agreement. Mandatory enrollment in MMCP for such employees shall be governed exclusively by Part A, Section 2(b) of this Article.

(i) The design changes contained in this Section, with the exception of subsection (h) above, shall become effective on June 1, 2008. Subsection (h) shall become effective as soon thereafter as practicable.

**Part B - Employee Sharing of Cost of H&W Plans**

**Section 1 – Monthly Employee Cost-Sharing Contributions**

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a
contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Company’s Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be $166.25 effective January 1, 2008 and, effective January 1, 2009, adjusted so as to equal 15% of the Company’s Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

1. 15% of the Company’s Monthly Payment Rate for 2010, or
2. $200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the “Company’s Monthly Payment Rate” for any year shall mean the sum of what the Company’s monthly payments to —

1. the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
2. the Dental Plan for employee and dependent dental benefits, and
3. the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Company’s Monthly Payment Rate for 2007 has been determined to be $1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 is $166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1, 2 and 3 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.
Section 4 – Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the Company. The employer shall deduct the amount of such employee contributions from the employee’s wages and retain the amounts so deducted as reimbursement for the employee contributions that the Company had made for the employee.

ARTICLE V - SUPPLEMENTAL SICKNESS

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended (“Sickness Agreement”), shall be further amended as provided in this Article.

Section 1 – Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 2004.

(b) Section 4 of the Sickness Agreement shall be revised to read as follows:


(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be $1,603.00, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be $2,821.00. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar day’s basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates throround for days of sickness and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the $1,603.00 monthly benefit should exceed $2,962.00, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed $2,962.00. ‘The average daily benefit for Yardmasters under the RUIA as so amended’ for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 2004 wage level was $4,232.00.”
Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 2009, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

ARTICLE VI - GENERAL PROVISIONS

Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notice served upon the Organization by the Carrier on March 11, 2005 and the notices served by the Organization signatory hereto upon the Carrier on February 16, 2005 and March 2, 2005.

(b) This Agreement shall remain in effect through December 31, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2009 (not to become effective before January 1, 2010), any notice or proposal.

(d) This Article will not bar management and committees from agreeing upon any subject of mutual interest.

SIGNED THIS 1st DAY OF May 2008.

FOR:
THE UNITED SUPERVISORS COUNCIL OF AMERICA

Gen Chairman USCA

Gen Chairman USCA

Gen Chairman & Chief Negotiator USCA

UNION PACIFIC RAILROAD COMPANY

General Director Labor Relations

Director Labor Relations

6040076
May 1, 2008

Mr. Brian O'Reilly
General Chairman & Chief Negotiator USCA
P.O. Box 902709
Sandy, UT 84090-2709

Dear Mr. O'Reilly:

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 1, 2 and 3 of the Agreement of this date.

The Carrier will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the date of this Agreement.

If the Carrier finds it impossible to make such payments by that date, the Carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Sincerely,

[Signature]

AGREED:

[Signature]

Gen Chairman & Chief Negotiator USCA
May 1, 2008

#2

Mr. Brian O’Reilly
General Chairman & Chief Negotiator USCA
P O Box 902709
Sandy, UT 84090-2709

Dear Mr. O’Reilly:

This refers to the increase in wages provided for in Sections 1, 2 and 3 of Article I of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with the Carrier on the date of this Agreement or who retired or died subsequent to June 30, 2005.

Please acknowledge your agreement by signing your name in the space provided below.

Sincerely

[Signature]

AGREED:

[Signature]
Gen Chairman & Chief Negotiator USCA
May 1, 2008

Mr. Brian O'Reilly
General Chairman & Chief Negotiator USCA
P.O. Box 902709
Sandy, UT 84090-2709

Dear Mr. O’Reilly:

This confirms our understanding regarding Article IV, Part B of the Agreement of this date.

If the initial deduction from an employee’s wages for his monthly cost-sharing contribution pursuant to Article IV, Part B, Section 4 is scheduled to be made at the same time as the payroll deduction for the employee’s union dues, the union dues deduction may be made on a subsequent date mutually agreeable to the parties.

Please acknowledge your agreement by signing your name in the space provided below.

Sincerely,

[Signature]

AGREED:

[Signature]

Gen Chairman & Chief Negotiator USCA

Union Pacific Railroad
1400 Douglas Street, STOP 0710, Omaha, NE 68179-0710
May 1, 2008
# 4

Mr. Brian O'Reilly
General Chairman & Chief Negotiator USCA
P.O. Box 902709
Sandy, UT 84090-2709

Dear Mr. O'Reilly:

This confirms our understanding regarding the Agreement of this date.

The parties concur that the hypothetical example set forth in Attachments A and B to this letter describes the methodology concerning the (i) computation of gross retroactive pay and retroactive H&W cost-sharing that shall be utilized in determining the net retroactive amount payable to a covered employee under the terms of this Agreement, and (ii) determination of the hourly rate of pay produced by application of the general wage increases provided for in Article I of this Agreement.

Please acknowledge your agreement by signing your name in the space provided below.

Sincerely

AGREED:

[Signature]

Gen Chairman & Chief Negotiator USCA

Union Pacific Railroad
1400 Douglas Street, STOP 0710, Omaha, NE 68179-0710

6040076 13
USCA-Yardmaster Retroactive Pay, H&W Cost-Sharing, Hourly Rate

ASSUMPTIONS:

Effective date of new agreement is April 1, 2008.
Employee’s daily rate as of 6/30/05 is $251.96
Assume employee works 261 days per year all straight time
Following GWI’s are applicable:

<table>
<thead>
<tr>
<th>Date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/05</td>
<td>2.5%</td>
</tr>
<tr>
<td>7/1/06</td>
<td>3.0%</td>
</tr>
<tr>
<td>7/1/07</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Employee is obligated to make a cost-sharing contribution for each month during period 1/1/07 through 3/1/2008

1. Gross Retroactive Pay

Employee would be due the following in retroactive pay:

   a. For period 7/1/05 through 6/30/06:

      $6.30* x 261 days = $1,644.30

      $251.96/day x 1.025 = $258.26

   b. For period 7/1/06 through 6/30/07:

      $14.05 x 261 days = $3,667.05

      $258.26 x 1.03 = $266.01

   c. For period 7/1/07 through 3/31/08:

      $22.03* x 195.75 days = $4,312.37

      $266.01 x 1.03 = $273.99

   d. Total gross retroactive pay of $9,623.72
2. **COLA Credit (1/1/05 through 9/30/07)**
   a. For period 7/1/05 through 12/31/05:
      \[
      \text{$0.15 \times 8 \text{ hours} \times 130.5 \text{ days} = $156.60}
      \]
   b. For period 1/1/06 through 6/30/06:
      \[
      \text{$0.46 \times 8 \text{ hours} \times 130.5 \text{ days} = $480.24}
      \]
   c. For period 7/1/06 through 12/31/06:
      \[
      \text{$0.47 \times 8 \text{ hours} \times 130.5 \text{ days} = $490.68}
      \]
   d. For period 1/1/07 through 6/30/07:
      \[
      \text{$0.62 \times 8 \text{ hours} \times 130.5 \text{ days} = $647.28}
      \]
   e. For period 7/1/07 through 12/31/2007
      \[
      \text{$0.72 \times 8 \text{ hours} \times 130.5 \text{ days} = $751.68}
      \]
   f. For period 1/1/08 through 3/31/08
      \[
      \text{$.88 \times 8 \text{ hours} \times 65.25 \text{ days} = $459.36}
      \]
   g. Total COLA credit = $2,985.84

3. **Retroactive H &W Cost-Sharing (1/1/07 through 9/30/07)**

   Employee would owe the following in retroactive H&W cost-sharing (to recover employee share of yearly Plan cost increases for period in excess of cost-sharing amounts already paid):

   a. For period 1/1/07 through 6/30/07:
      \[
      \text{$28.55 \times 6 = $171.30}
      \]
      \[
      * \text{ $166.25 \text{ (cost-sharing amount effective 1/1/07)}}
      \]
      \[
      - \text{$137.70 \text{ (cost-sharing amount actually paid eff. 1/1/07)}}
      \]
      \[
      = \text{$28.55}
      \]
b. For period 7/1/07 through 12/31/07:

\[
\begin{align*}
18.94 \times 6 &= 113.64 \\
\text{* } 166.25 \text{ (cost sharing amount effective 1/1/07)} \\
\text{ } - 147.31 \text{ (cost-sharing amount actually paid eff. 7/1/07)} \\
&= 18.94
\end{align*}
\]

c. For period 1/1/08 through 3/31/2008:

\[
\begin{align*}
4.49 \times 3 &= 13.47 \\
\text{* } 166.25 \text{ (cost sharing amount effective 1/1/07)} \\
\text{ } - 161.76 \text{ (cost sharing amount actually paid eff 1/1/08)} \\
&= 4.49
\end{align*}
\]

d. Total Retroactive H&W Cost Sharing: $298.41

4. **Net retroactive payment**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Retroactive Pay</td>
<td>$9,623.72</td>
</tr>
<tr>
<td>Subtract COLA Credit</td>
<td>$2,985.84</td>
</tr>
<tr>
<td></td>
<td>$6,637.88</td>
</tr>
<tr>
<td>Subtract Retroactive H&amp;W Cost-Sharing</td>
<td>$298.41</td>
</tr>
<tr>
<td>Net Retroactive Pay</td>
<td>$6,339.47</td>
</tr>
</tbody>
</table>
USCA-Yardmaster  Retroactive Pay, H&W Cost-Sharing, Hourly Rate

ASSUMPTIONS:

Effective date of new agreement is April 1, 2008.
Employee's daily rate as of 6/30/05 is $230.39
Assume employee works 261 days per year all straight time
Following GWI’s are applicable:
  7/1/05  2.5%
  7/1/06  3.0%
  7/1/07  3.0%
Employee is obligated to make a cost-sharing contribution for each month during period 1/1/07 through 3/1/2008.

1. Gross Retroactive Pay

Employee would be due the following in retroactive pay:

a. For period 7/1/05 through 6/30/06:
   $5.76* x 261 days = $1,503.36
   * $230.39/day x 1.025 = $236.15

b. For period 7/1/06 through 6/30/07:
   $12.84 x 261 days = $3,351.24
   * $236.15 x 1.03 = $243.23

c. For period 7/1/07 through 3/31/08:
   $20.14* x 166.75 days = $3,042.41
   * $243.23 x 1.03 = $250.53

d. Total gross retroactive pay of $8,797.01
2. **COLA Credit (1/1/05 through 9/30/07)**
   
a. For period 7/1/05 through 12/31/05:
   
   \[0.15 \times 8 \text{ hours} \times 130.5 \text{ days} = 156.60\]
   
b. For period 1/1/06 through 6/30/06:
   
   \[0.46 \times 8 \text{ hours} \times 130.5 \text{ days} = 480.24\]
   
c. For period 7/1/06 through 12/31/06:
   
   \[0.47 \times 8 \text{ hours} \times 130.5 \text{ days} = 490.68\]
   
d. For period 1/1/07 through 6/30/07:
   
   \[0.62 \times 8 \text{ hours} \times 130.5 \text{ days} = 647.28\]
   
e. For period 7/1/07 through 12/31/2007:
   
   \[0.72 \times 8 \text{ hours} \times 130.5 \text{ days} = 751.68\]
   
f. For period 1/1/08 through 3/31/08:
   
   \[0.88 \times 8 \text{ hours} \times 65.25 \text{ days} = 459.36\]
   
g. Total COLA credit = \$2,985.84

3. **Retroactive H & W Cost-Sharing (1/1/07 through 9/30/07)**
   
   Employee would owe the following in retroactive H&W cost-sharing (to recover employee share of yearly Plan cost increases for period in excess of cost-sharing amounts already paid):
   
a. For period 1/1/07 through 6/30/07:
   
   \[28.55 \times 6 = 171.30\]
   
   * \[166.25 \text{ (cost-sharing amount effective 1/1/07)} - 137.70 \text{ (cost-sharing amount actually paid off. 1/1/07)} = 28.55\]
b. For period 7/1/07 through 12/1/07:

\[
\begin{align*}
18.94 \times 6 &= 113.64 \\
* & \quad 166.25 \text{ (cost sharing amount effective 1/1/07)} \\
- & \quad 147.31 \text{ (cost-sharing amount actually paid eff. 7/1/07)} \\
= & \quad 18.94
\end{align*}
\]

c. For period 1/1/08 through 3/31/2008:

\[
\begin{align*}
4.49 \times 3 &= 13.47 \\
* & \quad 166.25 \text{ (cost sharing amount effective 1/1/07)} \\
- & \quad 161.76 \text{ (cost sharing amount actually paid eff 1/1/08)} \\
= & \quad 4.49
\end{align*}
\]

d. Total Retroactive H&W Cost Sharing: $298.41

4. Net retroactive payment

\[
\begin{align*}
\text{Gross Retroactive Pay:} & \quad 8,797.01 \\
\text{Subtract COLA Credit:} & \quad 2,985.64 \\
& \quad 5,811.17 \\
\text{Subtract Retroactive H&W Cost-Sharing} & \quad 298.41 \\
\text{Net Retroactive Pay:} & \quad 5,512.76
\end{align*}
\]
May 1, 2008

Mr. Brian O’Reilly  
General Chairman & Chief Negotiator USCA  
P.O. Box 902709  
Sandy, UT 84090-2709

Dear Mr. O’Reilly:

This confirms our understanding with respect to the entry level rate provisions applicable to Yardmasters who are currently covered by the former UTU(Y) Agreement effective December 1, 1975.

The parties agreed to apply the Award rendered by the Special Board of Adjustment established pursuant to Letter of Understanding # 8 of the current National UTU Agreement Document “B”, to the USCA Yardmasters identified above. Please acknowledge your agreement by signing your name in the space provided below.

Sincerely

[Signature]

AGREED:

[Signature]
Gen Chairman & Chief Negotiator USCA
May 1, 2008

Mr. Brian O'Reilly
General Chairman & Chief Negotiator USCA
P.O. Box 902709
Sandy, UT 84090-2709

Dear Mr. O'Reilly:

This confirms our understanding with respect to the additional contributions to be made to the Organization's pre-paid retiree medical insurance program on a monthly basis.

Commencing January 1, 2010, the Carrier shall forward to the insurance company that administers the Organization's pre-paid retiree medical insurance program, on a monthly basis, an amount equal to two cents ($ 0.02) per hour of service worked as a yardmaster by each yardmaster covered by the December 1, 1975 Agreement.

Effective January 1, 2011, the Carrier will deduct from the pay of each yardmaster covered by the December 1, 1975 Agreement and forward to the insurance company that administers the Organization's pre-paid retiree medical insurance program, on a monthly basis, the lesser of:

i) An amount equal to five cents ($ 0.05) per hour of service worked as a yardmaster or,

ii) An amount equal to the cost of living adjustment due employees on January 1, 2011 who are covered by Document "B" of the UTU National Agreement.

In the event the COLA adjustment January 1, 2011 is less than five cents, the Carrier will deduct from the pay of each employee covered by the December 1, 1975 Agreement and forward to the insurance company that administers the Organization's pre-paid retiree medical insurance program, on a monthly basis, a sufficient amount from subsequent COLA's until the total amount of the deduction from each eligible employee's pay equals a total of five cents ($ 0.05) per hour of service worked as a yardmaster. In other words, the Carrier will continued to deduct from each eligible yardmaster's pay an amount not to exceed the COLA received by employees covered under Document "B" of the UTU National Agreement until a total amount of five cents ($ 0.05) per hour has been reached. Again, this deduction will be made for each hour of service worked as a yardmaster by eligible employees.
It is understood that the deduction commencing on January 1, 2010 and the deduction commencing on January 1, 2011 will be in addition to all pre-existing contributions being made to that program. Except for the reference purposes specified herein, the COLA's will have no applicability to the UP/USCA Agreement effective this date.

Based on the Organization's advice to the Carrier, commencing the month after ratification the Pre-Retirement Investment (PRI) portion of the union dues will increase from $3.75 to $5.00 per month for those employees covered by the December 1, 1975 Collective Bargaining Agreement.

Please acknowledge your agreement by signing your name in the space provided below.

Sincerely

R. O. Matta

AGREED:

Gen Chairman & Chief Negotiator USCA
May 1, 2008

Mr. Brian O'Reilly
General Chairman & Chief Negotiator USCA
P.O. Box 902709
Sandy, UT 84090-2709

Dear Mr. O'Reilly:

This confirms our understanding regarding Side Letters 5 and 6 attached to the Agreement of this date. Those letters represent a departure from the National TCU Agreement, which the parties had earlier agreed to adopt without change in its entirety.

The parties concur that this departure will not, under any circumstances, serve as a precedent for any future negotiations. Moreover, it was agreed to add these letters without prejudice to the Carrier's position regarding such departures and the decision to include these letters in the Agreement of this date will not be cited for any reason in the future.

Moreover, in the event the UTU National Agreement is not ratified, Side Letters 5 and 6 will have no force or effect and will be considered null and void.

Sincerely,

[Signature]

AGREED:

[Signature]