

**Colorado and Wyoming Railway Company
Settlement Agreement
International Association of Machinists
And Aerospace Workers District Lodge No. 19**

The Colorado and Wyoming Railway Company and the International Association of Machinists and Aerospace Workers District Lodge No. 19, agree that the January 1, 1980 Agreement between the Parties and all other subsequent agreements, as modified, shall be changed as follows. The effective date of these changes shall be April 1, 2012 unless otherwise specified. This agreement is in full and final settlement of the Section 6 Notices proposed by the Parties on April 1, 2012, and will remain in full force and effect until April 1, 2017, subject to the provisions of the Railway Labor Act. Except for the items included in this Settlement Agreement, all other work rules and agreements will remain in effect.

Wage Increases:

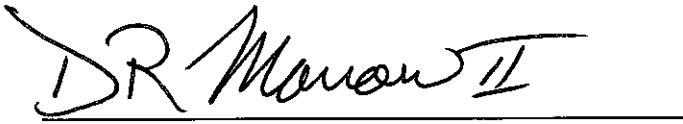
The rates in effect on March 31, 2012 will be increased 3% effective April 1, 2012.
The rates in effect on March 31, 2013 will be increased 3% effective April 1, 2013.
The rates in effect on March 31, 2014 will be increased 2.5% effective April 1, 2014.
The rates in effect on March 31, 2015 will be increased 2.5% effective April 1, 2015.
The rates in effect on March 31, 2016 will be increased 3% effective April 1, 2016.

1. **Retroactive Wage Increase:** The first 3% wage increase will be retroactive from the day of signing back to April 1, 2012.
2. **Profit Participation:** The carrier agrees to increase effective July 1, 2012 the quarterly profit participation pool from three (3) to five (5) percent of quarterly operating income as defined in Attachment A, "Colorado and Wyoming Railway Company Profit Participation Plan".
3. **Vacations:** Effective April 1, 2012 each Machinist having five (5) years of service, qualify for fifteen (15) work days with pay for use in the sixth year.
 - A. **Personal Leave:** Two days after one (1) year of service. One (1) additional day after two years service.

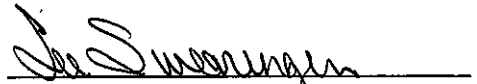
4. **Dental Plan:** No changes.
5. **Probationary Period:** The carrier shall have 180 days in order to train newly hired employees for permanent qualification for service with the Colorado and Wyoming Railway Company.
6. **Health and Welfare:** All operating crafts will participate in the United Health Care Plan under the UTU National Agreement and will contribute \$90 per month for the length of this contract.
7. **Accepting Official Positions:** An employee covered by this Agreement who accepts an official position, in the service of the Carrier and assigned to service connected with the Carrier, shall have a 180 day training period in a management position, and if retained, all seniority rights will be terminated. Any present management employees shall have 180 days to decide to return to whatever seniority list he/she was formally retained on.
8. **Length of Contract:** This Agreement shall be in effect for five (5) years beginning April 1, 2012 and is subject to provisions of the Railway Labor Act. It is understood, therefore, that no proposals for changes in rates of pay, rules, or working conditions shall be initiated or progressed by one signatory Party against the other prior to February 1, 2017. This shall not prevent the Parties from mutually agreeing upon changes in rates of pay, rules and working conditions of employees covered by this Settlement Agreement.

Colorado and Wyoming Railway Company

International Association of
Machinists and Aerospace
Workers District Lodge No. 19



David R. Morrow, II
COO and General Manager



Lee Swearingen
General Chairman
District Lodge 19, IMAAW

8/17/2012

Date

8-28-2012

Date



Jeff Doerr
President and Directing General Chairman
District 19, IMAAW