

AGREEMENT

Between the

SAN JOAQUIN VALLEY RAILROAD COMPANY

And

Its Mechanical, Maintenance of Way and Signal Employees
Represented by the

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

Effective 1/01/2017

TABLE OF CONTENTS

	<u>PAGE</u>
PREAMBLE	3
ARTICLE 1 Scope	3
ARTICLE 2 Representation Rule	4
ARTICLE 3 Seniority Rosters, Classifications	4
ARTICLE 4 Seniority	5
ARTICLE 5 Rates of Pay	6
ARTICLE 6 Basic Day and Overtime	7
ARTICLE 7 Bulletin Procedure	7
ARTICLE 8 Qualifying	8
ARTICLE 9 Work Week	9
ARTICLE 10 Starting Time	9
ARTICLE 11 Meal Period	9
ARTICLE 12 Overtime Calls	9
ARTICLE 13 Exercise of Seniority and Reporting	10
ARTICLE 14 Reduction in Force	11
ARTICLE 15 Rules Exams, Classroom Training, Attending Company Business	12
ARTICLE 16 Accepting Official Positions	12
ARTICLE 17 Forfeiting Seniority	13
ARTICLE 18 Leave of Absence	13
ARTICLE 19 Hearings and Discipline	14
ARTICLE 20 Claims and Grievances	15
ARTICLE 21 Employee Benefits	16
ARTICLE 22 Union Security Clause	19
ARTICLE 23 Payroll Deduction	20
ARTICLE 24 Expenses Away From Home & Transportation Expenses	21
ARTICLE 25 Pay for Work Other Than Regular Duties	21
ARTICLE 26 Assignment of Maintenance of Way and Signal Employees	21
ARTICLE 27 Equipment, Supplies, Ice and Water	22
ARTICLE 28 Bulletin Boards	22
ARTICLE 29 Service Letters	22
ARTICLE 30 Physical Examinations	22
ARTICLE 31 Moratorium	24
APPENDIX A – Wage Deduction Authorization	25
APPENDIX B – Wage Assignment Revocation	26
SIDE LETTERS 1 and 2	27-28

PREAMBLE

The following Agreement between the San Joaquin Valley Railroad Company and the International Association of Machinists and Aerospace Workers recognizes the unusual concept of principles and conditions existing within the short line railroad industry, which would not be applicable to the major trunk line railroads.

The Company and the employees further recognize that they have a common and sympathetic interest in the railroad industry. Therefore, a working system of harmonious relationships is necessary to maintain a rapport between the Company its employees, and the Organization, and jointly with the customers and public. All concerned will benefit by continued peace and harmonious relationships, and a good faith effort should be made to settle any differences through rational common sense methods.

It is understood that this Agreement replaces any and all agreements and understandings that were in place prior to the adoption of this Agreement. The use of such words as he, his, and him, as they appear in this Agreement are not intended to restrict the application of the Agreement or a particular rule to a particular sex, but are used solely for the purpose of grammatical gender convenience and clarity.

This Agreement will be applied to the parties signatory hereto, in compliance with state and federal laws and regulations, and without regard to the race, religion, color, creed, national origin, or gender of the individuals covered by the provisions embodied in this Agreement.

Employees covered by this Agreement shall be governed by all Company rules, policies, practices and procedures previously or hereafter issued or modified by the SJVR, and/or Genesee & Wyoming, and any prior or future modifications to these issuances, which are not in conflict with the terms and conditions of this Agreement, which have been or are made available to the affected employees and their respective General Chairman.

Therefore, in consideration of the mutual promises and agreements contained herein, all concerned parties mutually agree as follows:

ARTICLE I

Scope

(A) The term "employee" as referred to herein shall include all employees represented by the International Association of Machinists and Aerospace Workers. The terms "Carrier", "Company" or "SJVR" shall mean the San Joaquin Valley Railroad Company. The terms "Organization" or "IAM" shall mean the International Association of Machinists and Aerospace Workers.

(B) Whenever words are used herein in the masculine gender, they shall be construed as though they were also used in the female gender in all cases where they would so apply, and the singular form of words shall be read as the plural where appropriate.

ARTICLE 2

Representation Rule

(A) The IAM, while having representation of Maintenance of Way Employees, Signalmen and Mechanics, holds sole and exclusive bargaining rights governing wages, hours, and working conditions for such employees.

(B) For benefit of this Agreement, crafts will be identified as follows: Maintenance of Way Foremen, Track Inspectors, and Section Laborers will hereafter be known as the craft of Maintenance of Way Employees; Signal Maintainers and Signal Foremen shall hereafter be known as the craft of Signalmen. Mechanical Foremen and Mechanics shall hereinafter be known as the craft of Mechanical Department Employees.

(C) The proper officers of the Company will be identified with contact information to the Local and General Chairman of the Organization.

(D) The right of appeal in the case of complaints, grievances, including reinstatements and claims is restricted to employees through the duly authorized official of the Organization.

(E) Upon request, employees holding local union offices shall be permitted to lay off to perform Union business, consistent with the needs of the service.

ARTICLE 3

Seniority Rosters, Classifications

(A) For the employees covered by this Agreement, the entire railroad shall constitute a single seniority district over which employees may exercise their seniority.

(B) Seniority rosters showing names, occupation and seniority dates of all employees will be posted within thirty (30) days following the effective date of this Agreement in places accessible to all employees affected. A copy of the rosters will be provided to the Local and General Chairman at the time they are posted.

(C) The following rosters will be established in the rank indicated:

Mechanical Department

- Mechanical Foreman (qualification determined by management)
- Mechanic

Maintenance of Way Department

- Track Inspector (qualification determined by management)
- MOW Foreman (qualification determined by management)
- Laborer

Signal Department

- Signal Foreman (qualification determined by management)
- Signal Maintainer

Note: the terminology "qualification determined by management" reflects the understanding between the parties that, while such positions will be posted, subject to seniority displacement, etc., the initial qualification and placement on the roster is by management selection. For example, if a Section Foreman position were to become vacant, or a new one created, it would be advertised. If no current (qualified) foreman desired to bid it, the company could select, without regard to seniority, the person to be awarded the qualification/job.)

Note: The identification of the above classifications does not mean that the Company is required to maintain regular assignments in each such classification if work levels do not justify.

(D) The seniority rosters will be revised and posted in January of each year and will be open to protest (for errors associated with the new roster only) through close of business on the last day of February of the same year and upon presentation of proof of error by an employee, or his representative, such error shall be corrected.

(E) The provision for annual revision and posting of seniority rosters shall not be construed to mean that the duly accredited representatives of the employees will be denied the right to request and receive a revised roster when reductions in forces are contemplated or when, due to turn-over in forces, the annual roster does not furnish the information necessary to properly apply the provisions of this Agreement.

(F) Those employees that have transferred from one craft to another prior to the effective date of this Agreement will have their original Company seniority date used for determining their vacation accrual, etc., providing there was no break in the employee's service as a result of the transfer. However, for their seniority standing in the respective crafts, the time (date) they last entered service in that craft will be used in determining their proper seniority standing.

(G) An employee returning from leave will have thirty (30) days to protest an error in his seniority which would have the direct effect on his seniority rights.

ARTICLE 4

Seniority

(A) Rights accruing to employees under their seniority entitles them to consideration for positions in accordance with their length of service with the Carrier, as hereinafter provided.

(B) An applicant for employment will be required to fill out and execute the Carrier's application forms and pass required physical and visual examinations, and his employment shall be considered temporary until application is approved. Applications for employment will be disapproved within one hundred twenty (120) calendar days after date first service is performed, or

applicant shall be considered accepted. *For the position of Signal Maintainer, this probation period may be extended by up to sixty (60) days.

(C) In the event applicant gives false information, the Carrier will have the right to disapprove such application after the hundred twenty (120) calendar day probationary period* has expired if the information involved was of such a nature that the employee would not have been hired if the Carrier had timely knowledge of it.

(D) When new employees enter the service, if their work is satisfactory and application for employment is not declined within hundred twenty (120) calendar days*, their names shall then be listed on the seniority roster with a seniority date as of the date of first paid service. Two or more employees entering the service in the same rank on the same date will be shown on the roster on the basis of the higher of the last four digits of their Social Security number. In the event those numbers are identical, the higher of the next digit to the left within the Social Security number will determine the order.

(E) Employees will keep the Carrier advised of their current address and where applicable their current telephone number.

(F) Except as otherwise provided in this Agreement, seniority rights of employees covered by these rules may be exercised only in case of vacancies, new positions, reduction of forces.

ARTICLE 5

Rates of Pay

(A) Effective the first pay period on or following the dates indicated, rates of pay for employees covered by this Agreement shall be as follows:

	3%	3%	3%	3%	3%
Classification	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021
Mechanical Foreman	\$ 27.35	\$ 28.17	\$ 29.02	\$ 29.89	\$ 30.79
Mechanic	\$ 24.86	\$ 25.61	\$ 26.38	\$ 27.17	\$ 27.99
MOW Track Inspector*	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14
MOW Foreman	\$ 23.70	\$ 24.41	\$ 25.14	\$ 25.90	\$ 26.68
MOW Laborer	\$ 22.52	\$ 23.19	\$ 23.89	\$ 24.61	\$ 25.35
Signal Foreman	\$ 26.20	\$ 26.99	\$ 27.80	\$ 28.63	\$ 29.49
Signal Maintainer	\$ 24.35	\$ 25.08	\$ 25.83	\$ 26.61	\$ 27.41

*Note 2017 adjustment

(B) New hire employees will start at eighty percent (80%) of the pay received by employees already working in their respective craft. When it is deemed they are fully qualified by management to work independently on the SJVR Railroad or have completed 120 days of employment they will receive (100%) of the rate of pay.

ARTICLE 6

Basic Day and Overtime

(A) Eight (8) hours worked or less shall constitute a basic day's pay for which eight (8) hours pay shall be allowed, and employees will be paid on a bi-weekly basis. A reduction of eight (8) hours per calendar day for a non-compensated absence will be charged against the weekly guarantee. A weekly guarantee is forfeited if an employee is absent for more than one (1) non-compensated day per week.

(B) Time worked preceding or following and continuing with a regular scheduled assigned work period, or planned/scheduled overtime, shall be computed on the actual minute basis and paid for at the time and one-half rate for the first four (4) consecutive hours above and beyond the employee's eight (8) hour basic day, and at the double time rate for all service in excess of twelve (12) consecutive hours computed and paid on the actual minute basis.

(C) An employee who has worked 5 straight time days in the work week and is required to work on the first rest day will be paid for that day at the time and one-half rate for the first twelve (12) hours, and at the double time rate for all service in excess of 12 consecutive hours computed and paid on the actual minute basis. If such employee is required to work on the second rest day, they will be paid for that day at time and one-half for the first eight (8) hours, and at the double time rate for all service in excess of 8 consecutive hours computed and paid on the actual minute basis. An employee who has missed one or more days of their regular work week, even if paid as a single vacation day, sick day, *or* bereavement leave, is not covered by this rule.

(D) Overtime (worked continuous with regular shift) meal period: Employees shall not be required to render service for more than three (3) hours without being permitted to go to meals. Time take for meals will not terminate the continuous service period and employees will be paid for thirty (30) minutes.

ARTICLE 7

Bulletin Procedure

(A) New assignments or vacancies known to exist for longer than thirty (30) days will be bulletined as a permanent position. Regardless of when the position becomes open, bulletins will be posted Mondays. Bids will close at noon on the following Friday. Assignment will be awarded the same day to take effect on the following Monday.

(B) The senior qualified employee making application to a position under bulletin will be assigned. If no bids are received, or if there are no qualified bidders, the filling of the position shall be at the Company's discretion and, if it is to be filled, the Carrier may hire or may assign the junior qualified employee in any classification.

(C) An employee desiring to be considered for a posted position shall execute the appropriate job bid form, and deliver it to the proper supervisor as identified on the bulletin. All

such forms shall then be reviewed, and the position filled as outlined in Paragraph (A) and (B) above. The practice of using email or FAX to submit bids is acknowledged.

(D) Assignment to a permanent position indicates the desire of the employee as to job preference within the limits of his seniority and qualification. Employees can move from their bid position only by bidding another vacant position, by exercising their seniority if their job is abolished, or if they are displaced by a senior employee exercising his seniority.

(E) Bids may be accepted from an employee while on vacation for jobs that are bulletined and closed during such absence. If an employee on vacation does not submit a bid during such absence, such an employee will be permitted to displace a junior employee from an assignment secured by bulletin that was posted and assigned during the absence of the senior employee, provided he is qualified, and does so within twenty-four (24) hours after reporting back for service.

(F) Temporary vacancies (vacancies of thirty (30) days or less), caused by leave of absence, sickness, or vacation, will be either filled or blanked at the discretion of the Company. All temporary assignments will cease on the return of the absent employee back to his assignment.

ARTICLE 8

Qualifying

(A) For both existing and newly hired employees, the Carrier will make available and pay for both on-the-job and outside education opportunities to permit employees to advance to higher qualifications. Maintenance of Way Foremen, and other positions designated by the Company by job bulletin, will be required to obtain and maintain a Class A Commercial Drivers License as a condition of employment in that position. Carrier will provide and pay for employee to secure and maintain the CDL, including providing a company vehicle for the test. In the event an employee is unable to obtain or maintain a Class A Commercial Driver's License, upon notification by the Carrier, he will be allowed to exercise his seniority to displace a junior employee in his classification, (Locomotive Department, Maintenance of Way Department, or Signal Department) as provided in Article 13, paragraph (C) or may fill any open un-bid position which may exist.

(B) Employees awarded bulletined positions in a class in which not yet qualified will be given up to thirty (30) calendar days in which to qualify. At the discretion of the Carrier and with written notice to the employee and his Local Chairman, an employee may be given reasonable time in excess of thirty (30) calendar days in which to qualify but not to exceed 60 days.

(C) An employee who fails to pass examination(s) or who is otherwise disqualified, shall be advised promptly, in writing as to cause or reason of his failure to qualify, and will be allowed twenty-four (24) hours in which to exercise displacement rights.

ARTICLE 9

Work Week

(A) The Company will establish a work week of forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7). Assignments will be re-bulletined for seniority choice if the designated off days are changed.

(B) The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which an employee is assigned to work, or the first day following the consecutive rest days.

ARTICLE 10

Starting Time

(A) Assignments will be bulletined with an established starting time. The Company may change the regular starting time of an assignment up to two hours, with notification to the employees of at least one (1) week. Assignments will be re-bulletined for seniority choice when the starting time is changed more than two hours.

(B) Starting times may be changed in excess of two hours on a temporary basis by agreement with the employee.

ARTICLE 11

Meal Period

(A) Employees will be permitted a non-paid lunch period of thirty (30) minutes during the work day and it shall commence no earlier than the beginning of the 4th hour, and be completed no later than by the beginning of the sixth hour after going on duty, except as may be otherwise arranged by mutual agreement between the Management and the authorized Committee representing employees affected at the Shop, Roundhouse, Yard, point, location, etc.

(B) Employees required to work through their lunch period shall receive pay for the length of the lunch period regularly taken at straight time and twenty (20) minutes with pay in which to eat shall be afforded at the first opportunity.

ARTICLE 12

Overtime Calls

(A) Employees in any craft who are called outside of and not continuous with their regular assigned hours shall be paid actual time from time departing their home until the time released, at the time and one-half rate of pay, with a minimum of two (2) hours. Telephone trouble-shooting calls will be paid for at actual time with a minimum of 30 minutes. This provision does not apply to planned/scheduled overtime.

Mechanical Department:

(B) To the extent possible, overtime will be equally distributed among the work group. A process will be developed between the Local Chairman and the management to implement this provision.

Maintenance of Way Department:

(C) Overtime outside of and not continuous with their regular assigned hours on a territory shall go to the regular assigned employee(s) of such territory on a seniority basis. When the regular assigned employees are not available, then the closest available qualified employee will be called.

Signal Department:

(D) Employees assigned to regular maintenance duties recognize the possibility of emergencies in the operation of the railroad and will remain available for calls. Employees not available for calls must notify their supervisor. Overtime outside of and not continuous with their regular assigned hours on a territory shall go to the regular assigned employee(s) of such territory on a seniority basis. Calls within one (1) hour of the scheduled start time shall be considered continuous with the regular assigned hours. When the regular assigned employees are not available, then the closest available qualified employee will be called.

(E) Maintainers will be subject to weekend call duty on a rotating basis, as agreed to between the General Manager and the Local Chairman. Employees designated in the schedule to be available for call will keep the train dispatcher or the person designated by the Management informed as to where they can be called, and will respond promptly when called.

(F) Employees required to stand by for weekend call duty will be paid two (2) hours at the time and one-half for each such calendar day if no call-out is required. Employees called to duty on such days who work hours in addition to the two hours paid will be compensated per Paragraph A for all additional time.

ARTICLE 13

Exercise of Seniority and Reporting

(A) Employees displaced account position abolished or displaced by senior employees, may displace employees their junior.

(B) When a job or assignment goes "no bid", if the Company does not elect to blank it or hire for it, the junior qualified employee which normally reports to duty within a 50 mile radius of the job to be filled may be force assigned. If there are no qualified employees within the 50 mile radius specified above, the junior qualified employee within a 100 mile radius may be force assigned, and so on with increases of 50 miles in the radius until an employee is assigned.

(C) All exercise of seniority must take place at least sixteen (16) hours before the starting time of the position to which the seniority is exercised. The Company will notify the

employee displaced as promptly as possible, and such employee will have up to twenty-four (24) hours to exercise seniority, and designate the junior employee he wishes to displace. If an employee fails to exercise displacement rights within such twenty-four (24) hour period the Company may place the displaced employee on any vacant position it designates, or on furlough.

(D) Regular employees marking up for service after laying off must do so as promptly as possible by directly contacting their assigned manager at least two (2) hours in advance of the starting time of their regular assignment.

(E) Employees absent on vacation or leave of absence will be automatically marked up for the first day of their assignment following such vacation. Employees returning from vacation or leave of absence will return to their regular assignment, unless they have been displaced by a senior employee during their absence, in which case they will have an exercise in seniority, or they may exercise their seniority to any assignment that has been bulletined and awarded during their absence.

ARTICLE 14

Reduction in Force

(A) When the force shall be reduced, junior employees in the respective crafts shall be demoted or furloughed in their turn in reverse order of seniority.

(B) When force is increased, employees cut off will be recalled in seniority order and will retain their original seniority date and standing provided they report for duty within thirty (30) days from (1) date such notice is received as evidenced by return register receipt, or (2) letter is returned unclaimed to employing officer, in which latter event, the date letter is postmarked at destination will establish date from which the thirty (30) day period will run. Copy of recall notice will be furnished to Local and General Chairman. After an employee has received a recall notice, he/she must notify the Company within three (3) days and state when he/she will return within the thirty (30) day period described above. All recall notices/letters will include the language from this paragraph and paragraph (C) below.

(C) Furloughed employees are required to keep employing officer currently informed of their address; failure to do so or failure to report for duty within the time designated in the preceding paragraph, will result in forfeiture of their seniority.

(D) The Carrier may subcontract work which has historically been contracted, which is not economically feasible to perform at its own facilities, or which is beyond the capacity or capability of the Carrier to perform within the Carrier's time frame. The Carrier will make every reasonable effort to perform work now being performed on the property by regularly assigned forces. The regular work of active employees will not be adversely affected by the performance of work by contractors. The Carrier also agrees to provide advance notice to the General Chairman prior to subcontracting covered work (other than major capital expenditure projects of the nature described in the first sentence hereof) in non-emergency situations; however, this will not restrict the Carrier's right to subcontract. Upon request a conference will be arranged to discuss Carrier sub-contracting plans. If the Organization disagrees with the Carrier's basis for

contracting, it retains the right to progress a grievance. No employee holding seniority on the seniority roster on the effective date of this Agreement shall be or remain furloughed except on a voluntary basis, due to the use of Contractors on Company property or at Company facilities.

ARTICLE 15
Rules Exams, Classroom Training and
Attending Company Business

Employees who are required to attend rules classes, rules examination/certification sessions, training programs and seminars, attend safety meetings, give depositions, or other company business will be compensated on the basis of actual time consumed at the pro rata rate for attendance requiring one half (1/2) day or less. Employees who are required to attend beyond one half (1/2) day will be compensated a day's pay, or actual time consumed, whichever is greater. Employees who are held off their regular assignment to attend such training will be made whole for their loss of earnings.

ARTICLE 16
Accepting Official Positions

(A) An employee who accepts an official position with the Organization will retain and continue to accumulate seniority in the craft where seniority is held. Such employee who voluntarily or involuntarily leaves such position and who returns to the Company within thirty (30) days thereof after notification to the Company, will be permitted to exercise seniority in accordance with the provisions of this Agreement. Failure of the employee to return to service within this period, unless other arrangements have been made with the approval of the General Manager and General Chairman of the Organization, will result in forfeiture of seniority.

(B) An employee who is promoted to and accepts an official position within the Company on or after the effective date of this Agreement will retain and continue to accumulate seniority in the craft where seniority is held provided he continues to pay his applicable dues rate as a seniority retention fee to the Organization. Failure to remit such seniority retention fee shall result in a suspension of seniority for all time in such official position. Such employee who voluntarily or involuntarily leaves such position and who returns to the Company within seven (7) days thereof will be permitted to exercise seniority in accordance with the provisions of this Agreement.

ARTICLE 17
Forfeiting Seniority

(A) An employee who shall leave the service of the Company of his own accord, shall forfeit his seniority rights and shall not be reinstated. If he shall be re-employed by the Company, his seniority rights shall date from his first compensated service after re-employment.

(B) An employee who shall be discharged for cause shall forfeit his seniority rights, provided, however, that this Rule shall not operate to prevent upon mutual agreement of the Company and the representatives of the employees, the reinstatement with seniority rights unimpaired of an employee who shall have been discharged for cause, whether or not an appeal shall have been taken under the provisions of Article 20 hereof.

ARTICLE 18
Leave of Absence

(A) A non-FMLA leave of absence may be granted for a period not to exceed twenty-six (26) weeks within a twelve (12) month period.

(B) Employees accepting a supervisory or official position with the SJVR or Genesee & Wyoming subsidiary companies, or employees accepting an elective or appointive position with a State Commission or engaging in IAMAW Committee or Legislative work including Local, General, or Grand Lodge Officers, will, upon request, describing the nature of their work, be granted leave of absence by letter for period so employed, including a thirty (30) day separation period prior and subsequent to duration of assignment. Employees returning from such leave may subject to Article 3 assert their seniority rights, provided they assert those rights within thirty (30) days after the release from such employment, subject to the policies and regulations governing employment such as, but not limited to: physical examination, drug screen testing, etc.

(C) Subject to approval of the General Chairman and the General Manager, the same privilege will be granted to employees elected to City, County, State, and Federal offices. For recording purposes, after leave of absence has been granted by letter as set forth in the foregoing, regular leave of absence form will be provided by the Company and signed by the employee.

(D) Any employee on leave of absence from the Company may not take on an employment relationship with an outside employer, with the exception of those named in Article 14 of this agreement, unless so approved by the General Manager and the General Chairman.

(E) Failure of an employee to return to service following the expiration of fifteen (15) calendar days of the termination of their leave of absence, other than per Section B above, or to make other arrangements with the approval of the General Manager – SJVR and the General Chairman – IAMAW, following the end of the leave of absence will be considered a forfeiture of seniority.

ARTICLE 19

Hearings and Discipline

(A) Subject to the following, an employee qualified in accordance with Article 4 will not be disciplined without a fair and impartial hearing. The employee and the General Chairman of the Organization will be notified of the charge against him within thirty (30) days of the occurrence on which is to be based, or within thirty (30) days of when the Company's knowledge of the incident. Within fifteen (15) days of notification, the Company will conduct the hearing with the employee and a duly accredited representative, if desired, in attendance. The charged employee will be permitted to attend the investigation, hear all the evidence submitted, interrogate witnesses, and be represented by his choice of a duly-authorized representative of the Organization, or a IAM-represented employee. An employee required by the Company to attend a hearing as a witness during regularly-assigned hours, or at such time as will interfere with the ability to work his assigned hours, will be made whole for time lost. An employee required by the Company to attend a hearing as a witness commencing outside his assigned hours will be paid at his regular straight time rate. If the matter is not resolved after an investigation, at the Union's request, the Company will provide a written transcript.

(B) In cases Management determines to be serious (such as, but not limited to, theft, altercation, insubordination, dishonesty, negligence, threats to Company personnel or customers, damaging or defacing Company property or property entrusted to the custody of the SJVR or use or possession of alcoholic beverages, intoxicants, drugs, narcotics or major accidents) or when required by application of federal regulation governing the conduct of railroad operations, an employee may be withheld from service. It is understood that an employee held out of service under this article who, as a result of the investigation, is found to have not committed the offense(s) charged will be reinstated immediately and paid for time lost. Where an employee has not lost time, he will be compensated for time during which the Company required him to be at the hearing.

(C) A decision shall be rendered within thirty (30) calendar days following the investigation, and written notice thereof will be given the employee, with copy to the representative. If decision results in suspension or dismissal, it shall become effective promptly. If employee is called back to service prior to completion of suspension period, any unserved portion of the suspension period shall be cancelled.

(D) The employee and his representative shall be furnished a copy of the transcript of investigation, including all statements, reports, and information made a matter of record.

(E) The investigation provided for herein may be waived by the employee provided that any discipline assessed is confirmed in writing.

(F) If it is found that an employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the record. He shall be reinstated with his seniority rights unimpaired, and be compensated for wage loss, if any, resulting from such discipline or suspension.

(G) The provisions of Article 20 shall be applicable to the filing of claims and to appeals in discipline cases.

(H) The date for holding an investigation may be postponed if mutually agreed to by the Carrier and the employee or his duly authorized representative. If there is a change in the location of the investigation, the employee and his duly authorized representative will be notified.

(I) If investigation is not held or decision rendered within the time limits herein specified, or as extended by agreed-to postponements, the charges against the employee shall be considered as having been dismissed.

ARTICLE 20

Claims and Grievances

(A) All claims or grievances must be presented in writing by or on behalf of the employee involved to the General Manager, or his/her designee, within sixty (60) calendar days from the date of the occurrence on which the claim or grievance is based. Should any claim or grievance be disallowed, the Carrier shall, within sixty (60) calendar days from the date same is filed, notify whoever filed the claim or grievance (the employee or his duly accredited representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(B) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within sixty (60) days from receipt of notice of disallowance to the Regional Vice President for handling appeals. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employee as to other similar claims or grievances. Should any such claim or grievance be disallowed on appeal, the highest designated Company officer for handling appeals shall, within sixty (60) days from the date same is filed, notify whoever filed the claim or grievance (the employee or his duly accredited representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the period for either a decision or appeal.

(C) All claims or grievances involved in a decision by the highest designated officer shall be barred unless, within nine (9) calendar months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system board of adjustment that has been agreed to by the parties hereto as provided in Section 3, Second, of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the nine (9) calendar months' period herein referred to.

(D) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully

protected by the filing of one claim or grievance based thereon as long as such alleged violation, is found to be such, continues. However, no monetary claim shall be allowed retroactively for more than sixty (60) calendar days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(E) This rule recognizes the right of representatives of the Organization, party hereto, to file and prosecute claims and grievances for and on behalf of the employee it represents.

ARTICLE 21

Employee Benefits

(A) The Company shall provide health insurance benefits, which are contained in the plans that the Company participates in. These benefits will be applied on the same terms as they apply to all other employees of SJVR and as they may be amended from time to time. A booklet outlining the coverage available can be obtained from the General Manager's office. Employees must meet the qualifying criteria described in the plans before they become eligible to receive benefits. Employees should refer to the plan documents for exact details of their insurance benefits. This insurance is only effective as long as the employee is eligible for insurance and becomes and remains insured as provided in the applicable policy, and benefits and employee contributions may be changed from time to time.

(B) Full time, eligible employees will be paid their straight time hourly rate on the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, Christmas Day, New Year's Eve Day.

Eligible employees are those active employees who are available for duty the day prior to the holiday, the day of the holiday, and the day after the holiday. The days prior and after the holiday are those days the employee is regularly scheduled to work; employees on vacation shall be considered as having met this requirement.

(C) Employees working on a holiday will be compensated at one and one-half times their straight time wage. For purposes of this section, hours worked in a shift that starts on a holiday will be considered holiday work.

(D) Sick Leave. New employees will start accruing sick leave after they complete 90 days of service. Sick leave is provided for the exclusive purpose of allowing employees to take time off for medical reasons. Acceptable medical reasons include:

The employee's own incapacitating illness or injury;
A child who is sick;
A seriously ill parent or spouse and
Necessary medical treatment or medically advised rest.

Visits to doctors and dentists also are acceptable reasons for taking sick leave. Taking sick leave under false pretenses is a violation of trust and is subject to disciplinary action, up to and including termination.

Full-time employees accrue sick leave at the rate of one-half day each month, prorated on the number of active pay periods within the year. Unused sick leave will be allowed to accumulate until the employee has accrued a total of twelve (12) calendar days. Further accrual of sick leave will be suspended until the employee has reduced the balance below twelve (12) days. Sick leave benefits cannot be used for any other paid or unpaid absence and will not be paid to the employee at the time of termination of employment. Employees who know in advance that they will be absent for health reasons must give their supervisors advance notice, including the probable start date and duration of the absence. If a sudden illness makes it impossible for an employee to request sick leave before the

workday begins, the employee should notify his supervisor as soon as possible, but no later than the end of the workday. Failure to notify the supervisor if unable to report to work could result in disciplinary action, up to and including termination.

Sick leave pay is calculated using the employee's straight-time hourly pay rate at the time of the absence times the number of hours the employee would normally have worked on that day. While paid under this provision, the employee is ineligible for Railroad Retirement sickness benefits. Sick leave pay will not be counted as hours worked for the purposes of determining overtime.

The Carrier reserves the right to be provided with medical documentation to support any sick leave absence of three (3) days or more. Employees must notify their supervisor before the start of their regular shift of their inability to report due to illness or injury, and in case of short term illness must notify in the same manner for each day of their absence. Employees will, if possible submit a medical statement to the Carrier indicating a prescribed period of time wherein the employee may not work, such statement shall be furnished in advance of the days to be absent.

(E) **Vacation.** The Carrier shall post requests for vacation time on or before December 15th of each year for the purpose of bidding. An employee requesting vacation will designate the period of time, whether for his total allowable vacation or a part thereof, by first, second, etc. choice. After all employees in the craft have been assigned one vacation period in accordance with the above, the next portion of vacations will be assigned. Where conflicts arise prohibiting an employee from being awarded his choice(s) for vacation he will be given the opportunity to select alternate available time.

Regular full-time employees are eligible for paid vacation after they have completed thirty (30) days of service. Vacation time is prorated on the number of active pay periods within the year and must be taken during the calendar year in which it is earned. The maximum number of days an employee can earn in a given calendar year is based upon their years of continuous service with the SJVR. Years of service are based on the number of completed years from the hire date as a regular full-time employee.

Paid vacation will not be counted as hours worked for the purpose of determining overtime. **Years of service are based on the number of completed years from the hire date as a regular full-time employee prior to each January 1.**

RATE OF ACCRUAL

Max Service	Accrued Hrs/Mo.	Accrued Hrs/Yr.	Accrued Days/Yr.
1-5 years	7.33 hours	88 hours	11 days
6-10 years	10.67 hours	128 hours	16 days
11-15 years	12 hours	144 hours	18 days
16+ years	14 hours	168 hours	21 days

For example, an Employee hired on July 1, 2013 will begin to accrue the higher rate for vacation as of January 1, 2019.

Vacation time must be used in "week" blocks, except an employee may reserve 5 days of his available vacation time on an annual basis to be taken in single day blocks. Use of single day vacation is subject to management approval and the needs of the Carrier. Whenever multiple requests for single day vacation cannot all be granted they shall first be governed by date received, with preference granted to the earliest request received. If multiple requests are received on the same day and cannot all be granted seniority shall govern. A week is defined as five (5) regularly assigned days. Vacation pay will be the employee's current straight time hourly wage for each hour of vacation leave; 8 hours constitutes a vacation day. For assignments working 4/10 work weeks, the number of days to be taken in single day blocks, and number of hours constituting a vacation day will be adjusted accordingly.

(F) The Carrier will make available on the same terms as it does to all other employees of SJVR a 401(k) Plan. Employees covered by this Agreement must meet the Plan eligibility requirements to participate.

(G) **Bereavement.** Employees should immediately contact their supervisor when such an occurrence arises, and must be prepared to offer evidence of attendance, distance, immediate

family relationship, etc. The employee should return to work on the first regularly scheduled day of work following the end of the approved leave.

Paid Time Off - An employee may be granted up to five (5) consecutive working days (based on an eight (8) hour day) with pay, in the event of the death of an immediate family member. An employee may be granted two (2) days off with pay due to the death of an extended family member. Paid time off for bereavement will not be counted as hours worked for the purpose of determining overtime. Family member categories are defined as:

Immediate Family	Extended Family
• Parents (including Step)	• Aunts and Uncles
• Siblings (including Step)	• Cousins
• Children (including Step)	• Nieces and Nephews
• Spouse or Domestic Partner	• Sister(s) in Law
• Parents In-Law	• Brother(s) in Law
• Grandparents	
• Grandchildren	

If additional time off is required due to extensive travel or to administrative estate responsibilities, an employee may request an extension from his or her supervisor and use accrued vacation time or request an unpaid leave of absence not to exceed 2 weeks.

(H) **Jury/Witness Duty.** Employees summoned for jury duty, who, as a result lose time from their assignment, will be paid for actual lost time, pay for each day lost, less any amount allowed for jury duty, excluding reimbursement for subsistence, lodging or transportation. The employee must furnish the Company with a statement from the court indicating any allowances paid, and the days such jury duty was performed. Payment for jury duty is limited to a maximum of thirty (30) days in any calendar year, unless otherwise required by law.

Employees must present the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Employees are expected to report for work whenever the court schedule permits. Insurance benefits will remain in effect and unchanged for the full term of the jury duty absence.

Employees required to attend court or appear before proper authorities on behalf of or at the request of the Company, will be compensated for their time at the applicable rate of pay. In addition, such employee will be reimbursed for reasonable expenses incurred therewith upon submission of itemized statements. Employees who serve as a witness in a matter unrelated to the Company will be allowed time off upon reasonable notice. The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

ARTICLE 22
Union Security Clause

(A) Union Security Clause: All employees of the Company subject to the terms of this Agreement shall, as a condition of continued employment, become and remain members in good standing of the Union. This requirement shall take effect 30 days after the initial implementation of union security or, for employees who are thereafter hired or transferred into a position covered by this Agreement, 30 days after the date of hire or transfer. The only obligation imposed by this section shall be the payment of regular or periodic dues or representation fees. The Company will within three (3) working days after receipt of notice from the Union, discharge any employee who is not in good standing with the Union as required by this paragraph.

(B) Maintenance of Membership: All employees in the bargaining unit who are members of the Union in good standing on the effective (execution) date of the Agreement shall be required, as a condition of continued employment with the Company, to maintain membership in the Union to the extent of current monthly dues, initiation fees, and reinstatement fees, if any.

ARTICLE 23
Payroll Deduction

(A) Subject to the conditions set forth, the Company will deduct all sums for periodic union dues, assessments and insurance premiums payable to the Organization by members of the Organization employed by the Company, from wages earned in any services, upon the written and unrevoked authorization of a member, in the form agreed upon by the parties hereto, copy of which is identified as Attachment "A" and made a part hereof.

(B) Payroll deduction authorizing forms may be revoked by executing the form agreed upon by the parties, copy of which is identified as Attachment "B" and made a part hereof.

(C) Both authorization and revocation forms shall be reproduced and furnished to the members by the Organization. The Organization shall be responsible for execution of the authorization forms by the members and for delivering such forms to the Company. In like manner, revocation forms shall be furnished by the member to the Organization, which shall be responsible for its delivery to the Company.

(D) Deductions shall be made by the Company in accordance with a deduction list furnished to the Company by the Treasurer of the Local of which the employee is a member. Such lists, together with authorization and revocation forms shall be furnished the Company on or before the tenth (10th) day of each month in which the deduction or termination of deduction is to become effective. The original lists furnished shall show the member's name and social security number and the amount to be deducted. Thereafter, two (2) lists shall be furnished each month to the Company showing the following:

1. A list showing the amount to be deducted from each member for the current month; also, the names of members from whose wages no further deductions are to be made, which shall be accompanied by revocation forms signed by each member so listed.

2. A list showing additional members from whose wages the Company shall make deduction as herein provided, together with authorizing forms signed by each member so listed. Where there are no such additional members, the list shall so state.

3. Deductions, as provided herein, will be made monthly by the Company from wages due members in the second pay period in each calendar month, and the Company will, subject to Paragraph (E) hereof, remit the Organization the total amount of such deduction on or before the first day of the month following the month in which such deductions are made. With such remittance, the Company will furnish the Treasurer of the Local a statement showing members from whom deductions were made and the amount of deductions.

(E) In the event earnings of a member are insufficient to permit the full amount of deduction, no deduction will be made.

ARTICLE 24

Expenses Away from Home & Transportation Expenses

1. Away From Home Expenses:

When employees are unable to return to their headquarters point on any day, they shall be reimbursed for the actual reasonable cost of lodging, unless provided by the Company, and a daily meals per diem of \$35.00.

2. Transportation Expenses:

When an employee is required to work away from his headquarters point, Company will either provide transportation or reimburse the employee for the necessary cost of transportation. Transportation cost will mean the established bus fare or an automobile mileage allowance equal to the IRS approved rate in effect at the time, where an employee's use of his personal vehicle is authorized. When an employee is required to work away from his headquarters point he will be paid for all time spent outside of his assigned hours traveling to and from such location at the appropriate straight time rate of pay.

3. Lodging:

Company will provide a separate/private hotel room for each employee tied up away from their headquarters point.

ARTICLE 25
Pay for Work Other Than Regular Duties

(A) Employees taken from their regular assignment under instructions of the Company to perform any service other than that covered by their regular assignments shall be paid for all time actually worked by them (whether on their regular assignments or in such other service) at the highest of the established rates of pay for the respective classes of service performed by them.

ARTICLE 26
Assignment of Maintenance of Way and Signal Employees

(A) Maintenance of Way and Signal gangs will be assigned to definite territories. However, it is understood that such assignment will not prohibit the use of employees outside of their assigned territory in their own classification, when, in the opinion of the Company, such work is necessary with the further understanding that employees will be used first, from an adjacent territory. The men will be returned to their assigned territory at the earliest possible time consistent with requirements of the Company. Nothing contained herein will limit the use of these employees on any part of the railroad if their services are needed at other locations, or in the event of an emergency.

(B) Employees who are required to remain away from their headquarters point will be reimbursed for expenses as per Article 24.

ARTICLE 27
Equipment, Supplies, Ice and Water

(A) The Company will provide the necessary equipment and supplies required by employees during their tour of duty.

(B) Sanitary drinking water will be provided to employees while on duty. During warm weather, ice will also be provided.

(C) Employees required to wear steel-toed boots will be provided with one \$280.00 voucher or two \$140.00 voucher per calendar year for the purchase of a pair of work boots as needed.

ARTICLE 28
Bulletin Boards

The Carrier shall provide space for the Union to hang a bulletin board at locations where Employees covered by this Agreement regularly report to duty, provided that such notice(s) shall not include any defamatory or anti-carrier material. The Carrier shall not post any anti-union material on Carrier bulletin boards.

ARTICLE 29
Service Letters

An employee who shall for any reason leave the service of the Company shall, at his request, be given a letter by the proper officer stating his term of service and the capacities in which he was employed.

ARTICLE 30
Physical Examinations

(A) Should employees coming within the scope of this Agreement be required to take physical examinations, such examinations will not be more frequent than once each year, unless in the opinion of their supervisory officer(s), the employee's health or physical condition is such that an examination should be made for the purpose of informing them of the disability or illness, so that proper treatment can be given and to determine if the employee is physically able to perform service.

(B) If an employee should be disqualified upon examination by the Company's physician and feels that such disqualification is not warranted, the following procedure will apply:

1. The employee involved or his General Chairman, at his expense, will select a physician to represent him, in conducting a further physical examination. If the two (2) physicians selected shall agree, the conclusions reached by them will be final.
2. If the two (2) physicians selected in accordance with (1) above should disagree as to the physical condition of such employee, they will select a third (3rd) physician, at the joint and equal expense of the Company and the employee, who shall be a practitioner of recognized standing in the medical profession and specialist in the disability or illness from which the employee is alleged to be suffering. The third (3rd) and neutral physician thus selected will examine the employee and render a report within a reasonable time not exceeding fifteen (15) calendar days after such examination (unless waiting for test results or laboratory reports) setting forth his physical condition and the physician's opinion as to his fitness to continue service in his regular employment. The opinion of any two (2) such physicians will be accepted as final.

(C) If an employee is held from service for an examination or alleged impaired physical condition and, upon examination, is found to be physically fit to resume duty, he will be reinstated and paid for time lost.

ARTICLE 31
Moratorium


This agreement, signed this ____ day of _____, 2017, will become effective on _____, 2017 and will remain in effect through December 31, 2021 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act. No party to this agreement will serve any notice or proposal under the terms of the Railway Labor Act for the purpose of changing the provisions of the collective bargaining agreement prior to October 1, 2021, to be effective no earlier than January 1, 2022. All pending Section 6 Notices between the parties are hereby withdrawn.

The foregoing will not prevent the parties from agreeing on items of mutual interest.

FOR THE EMPLOYEES:


Michael McCarthy
General Chairman

FOR THE COMPANY:


James Irvin
President, SJVR



Lee Carter
General Chairman

Side Letter No. 1

Ms. Lee Carter
General Chairman, IAMAW
18888 Fox Haven Ct.
Brighton, CO 80603

Dear Ms. Carter:

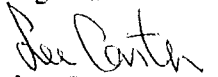
In reference to the Agreement signed today, the parties reaffirm the provisions of Side Letter 5 of our previous Agreement on the subject of employees working or holding seniority in a different craft.

It was understood that the nature of the business requires the occasional borrowing of a qualified employee (such as an employee working in the Maintenance of Way craft, but who is a qualified Signal Maintainer) from another craft for vacation relief, emergency or other temporary work. The current practice of doing so is recognized in this Agreement.

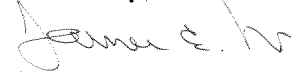
As to the subject of employees holding seniority in more than one craft, we agreed that employees who take a permanent position in a different classification will not be required to forfeit their seniority in the former craft; however, they shall not be permitted to return to the former classification unless they are unable to hold any regular assignment in the craft to which transferred. They may also return to such former craft should a regular assignment in such craft be advertised and receive no bids, and the Company would otherwise be required to hire a new employee to fill such position.

If the foregoing accurately describes our agreement in this matter, please so indicate by signing below.

Agreed:


Lee Carter
General Chairman

Yours truly,


James Irvin
SJVR President

Side Letter No. 2

Ms. Lee Carter
General Chairman, IAMAW
18888 Fox Haven Ct.
Brighton, CO 80603

Dear Ms. Carter:

For the duration of this Agreement and as discussed during 2017 negotiations (and in line with Side Letter 6 of our previous Agreement), when the regularly assigned foreman is off work due to illness, vacation, personal day, or other approved reason and another legally licensed Maintenance of Way employee drives the boom truck that day, he will be compensated an additional \$5.00 per day. If a regularly assigned foreman is on duty but not available to drive the boom truck and a legally licensed Maintenance of Way employee is required to drive the boom truck then he will be compensated an additional \$5.00 per day. If an assigned foreman is on duty and available to drive the boom truck then no other employee will be required to drive the boom truck.

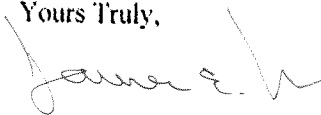
If the foregoing meets with your understanding and approval please signify by signing in the space provided below.

Agreed:



Lee Carter
General Chairman

Yours Truly,



James Irvin
SJVR President