

MEMORANDUM OF AGREEMENT

Between
BNSF RAILWAY
And

SMART - TD

The Parties agree that the following will govern the operation of interdivisional pool freight service between Dilworth, MN and Northtown, MN, via the Staples Subdivision, or via the Moorhead/Morris/Wayzata Subdivisions through Willmar, MN.

The pool will continue to operate under the terms and conditions set forth in the agreements currently applicable to the interdivisional run between Dilworth, MN and Northtown, MN, with the following exceptions:

1. Interdivisional pool freight service may be operated between Dilworth and Northtown over either the Staples Subdivision; or the Moorhead/Morris/Wayzata Subdivisions via Willmar.
 - A. Willmar will not be considered a terminal for trainmen in this service.
 - B. Trainmen in this service will not perform any work events en route other than locomotive work events allowed under existing Agreements.
2. When trainmen operate this route via the Staples Subdivision they will be compensated the current trip rate (Trip Rate A) of \$413.89 for conductors and \$388.39 for brakemen (subject to all future pay increases). The mileage component associated with this trip rate for pool regulation purposes is 259 miles.

In addition, when operating this route it is further agreed that trainmen, regardless of seniority or miles traversed, will be allowed overtime after 12 hours.

3. When trainmen operate this route via the Moorhead/Morris/Wayzata Subdivisions, they will be compensated Trip Rate C of \$464.69 for conductors and \$434.82 for brakemen (subject to all future pay increases). The mileage component associated with this trip rate for pool regulation purposes is 287 miles.

In addition, when operating this route it is further agreed that trainmen, regardless of seniority or miles traversed, will be allowed overtime after 12 hours on duty.

- 3.1 If a trainman is called to run via the Moorhead/Morris/Wayzata Subdivisions and after on-duty is swapped to run the Staples sub they will still be due Trip Rate C as originally called.
4. When a trainman is deadheaded, they will be compensated the Trip Rate of the corresponding working trip for that round trip.

Example: Trainman A deadheads from Northtown to Dilworth. Trainman A works from Dilworth to Northtown via Moorhead/Morris/Wayzata Subdivision earning Trip Rate C. The prior deadhead will be paid at Trip Rate C rate.

5. It is not intended that trainmen in this pool will be required to trade trains with trainmen in another pool (i.e., Willmar-Dilworth; Willmar-Northtown Pool). If so utilized, the trainman will be entitled to a basic day penalty.

NOTE: Trainmen will not be required to tie their train down on the Staples Subdivision and be transported to work an alternate train on the Moorhead/Morris/Wayzata Subdivisions, or vice versa.

6. To ensure Willmar trainmen maintain work they handle currently, it is intended that the following type of rail traffic will not be handled by trainmen in this service unless all other sources are exhausted:

Trains that would:

- originate / terminate on the Moorhead, Morris, or Wayzata Subdivisions to include Willmar terminal or RRWV interchange.
- or enter/exit this route via the Marshall, Appleton, or Browns Valley Subdivisions.

7. Hours of Service Relief/Extra Service will be handled in the following order of selection:

7.1. Eastbound trains:

7.1.1 Between Dilworth and Breckenridge (including Breckenridge), the first-out trainman in this service at Dilworth; if none, then first out trainman in the Willmar-Dilworth pool at Dilworth.

7.1.2 Between Breckenridge (including Breckenridge) and Northtown terminal complex, the first out trainman in the Willmar-Northtown pool at Willmar, if none, then the first out trainman in this service at Dilworth.

Note: When Willmar trainmen are used in this service, there will be no penalty for running thru Willmar. When trainmen are used in this manner they may be tied up at Northtown and they will be paid the Dilworth-Northtown Trip Rate Route C. If the trainman is utilized in STAS out of Northtown prior to tying up, they will be compensated a minimum of an additional WLM-NTW trip rate. If the STAS exceeds 130 miles, any additional miles will be paid under code MS. If the STAS exceeds 130 miles, any additional miles will be paid under code MS. If STAS service exceeds 8'00", trainmen will be paid overtime starting at 8'00".

Following STAS, the trainman may be tied-up at Northtown or deadheaded home to Willmar. If deadheaded back to Willmar combined with service they will be compensated MS miles for the deadhead home in addition to any other compensation.

7.2. Westbound trains:

7.2.1 Between Northtown terminal complex and Breckenridge (excluding Breckenridge), first out trainman in the Willmar-Dilworth pool, if none, then the first-out trainman in this service at Northtown.

Note: When Willmar trainmen are used in this service, there will be no penalty for running thru Willmar. When trainmen are used in this manner they may be tied up at Dilworth and they will be paid the Northtown-Dilworth Trip Rate Route C. If the trainman is utilized in STAS out of Dilworth prior to tying up, they will be compensated a minimum of an additional WLM-DIL trip rate. If the STAS exceeds 130 miles, any additional miles will be paid under code MS. Any STAS service out of Dilworth for Willmar crews must be beyond Breckenridge. If the STAS exceeds 130 miles, any additional miles will be paid under code MS. If STAS service exceeds 8'00", trainmen will be paid overtime starting at 8'00".

Following STAS, the trainman may be tied-up at Dilworth or deadheaded home to Willmar. If deadheaded back to Willmar combined with service they will be compensated MS miles for the deadhead home in addition to any other compensation.

7.2.2 Between Breckenridge (including Breckenridge) and Dilworth, the first-out Grand Forks trainman at Dilworth or Breckenridge; if none, the first out trainmen at Grand Forks, if none, the first out trainman on Dilworth extra board; if none, the first out trainman in the Willmar-Dilworth pool at Willmar.

7.3 Nothing in this agreement modifies existing right to use a Dilworth or Northtown yard, shuttle, or turn-around crew for hours of service relief on the Staples, or Wayzata Subs as they exist today.

8. The service established by this Agreement will be equalized and calculated into the overall equity division of the Northtown-Dilworth pool to protect the seniority district rights of employees due to its operation over two existing seniority districts. The equalization of work by employees operated on Route C established by this Agreement will be:

82% Lakes Seniority District
18% Minnesota Seniority District

9. Upon notification that this Agreement has been formally ratified, each eligible Willmar road trainman will receive a one-time lump sum payment in the gross amount of \$1500.00 within 30 days of the date the Agreement is implemented. This payment will not be used for other calculations like vacation or Profit Sharing. Likewise, this payment will not be used for guarantee calculation or offset.

This payment is payable to trainman working in road service at Willmar on November 1, 2014 including those dismissed trainmen later returned to service and those trainmen in detached service. This payment will equally apply to those trainmen working in road service at Willmar on November 1, 2014 who retire prior to implementation. This payment is not payable to those trainmen placing to road service in Willmar after November 1, 2014.


10. The provisions of Article XIII of the January 27, 1972 Agreement shall apply to employees adversely affected by the implementation of the service. However, it is understood that the relocation benefits provided in that Article will not apply to this service.

11. Except as specifically provided herein, nothing contained in this agreement shall be construed as modifying, amending, or superseding any of the provisions of the existing Dilworth-Norhtown/Norhtown-Dilworth ID Agreements, the Grand Forks West Pool Agreement, the Willmar-Norhtown/Willmar-Dilworth Pool Agreements, or other Collective Bargaining Agreements between SMART-TD and the BNSF Railway.

Signed this 28th day of May, 2015 and to be made effective on


June 1, 2015.

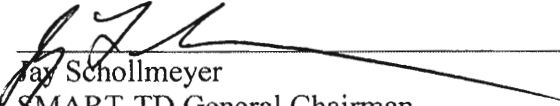
FOR BNSF RAILWAY:


Milton H. Siegele, Jr.
AVP of Labor Relations BNSF

FOR SMART-TD:


R.S. Knutson
SMART-TD General Chairman


Melissa Beasley
General Director of Labor Relations BNSF


Jay Schollmeyer
SMART-TD General Chairman

Side Letter No. 1

It is agreed that if the Dilworth-Norhtown via Willmar ("Route C) Agreement is fully ratified, the following will apply:

1. Trainmen in the Dilworth-Norhtown ID Pool will be allowed continuous held-away after 16 hours at the away-from-home-terminal (AFHT) for a period of 24 months following implementation of the Route C Agreement. Prior to the end of this time frame, the Parties will meet and discuss the possible extension of this provision.