

MEMORANDUM OF AGREEMENT

between

STOCKTON TERMINAL and EASTERN RAILROAD

and

UNITED TRANSPORTATION UNION

In full and final settlement of the Stockton Terminal and Eastern Railroad's Notice under Section 6 of the Railway Labor Act, as amended, dated June 4, 1993, it is agreed:

- I. All wages of employees represented by the United Transportation Union General Committee of Adjustment signatory hereto, will be increased as follows:

January 1, 1994	increase by 2%
July 1, 1994	increase by 1%
January 1, 1995	increase by 2%
July 1, 1995	increase by 1%
January 1, 1996	increase by 2%
July 1, 1996	increase by 1%
January 1, 1997	increase by 1%

Signing bonus:

Those employees who have worked not less than fifty (50) straight time shifts between January 1, 1993 and August 1, 1993 will be paid \$1,000.00 either November 1, 1993 or December 1, 1993, at the employee's option.

Employees not qualified for the above, but who have not less than ten (10) straight time shifts between January 1, 1993 and August 1, 1993 will be paid \$500.00 either November 1, 1993 or December 1, 1993, at the employee's option.

NOTE: Should any employee retire, die or be terminated for cause prior to November 1, 1993, the payment will be made as outlined above, either to the employee or to the estate of said employee.

- II. Health and Welfare will continue to be provided under the Railroad Workers Health and Welfare program as it is currently.

In addition, any employee assigned to the extra board will be covered by the Health and Welfare program, regardless of whether he performs compensated service or not.

- III. Article Nine (9), Crew Consist of the existing schedule is eliminated in its entirety. The following Crew Consist Modification will become effective August 15, 1993:

Article 9.

Effective August 15, 1993, existing interpretations or practices, however established, shall be amended to provide:

- (A) All crews will consist of one (1) Engineman, one (1) Engine Foreman, and one (1) Helper; and will not be required to work with less than a full crew as specified in this rule unless under extreme emergencies.
- (B) In the event one of the full crew members becomes unavailable account sickness, injury, or some other compelling reason, the remaining crew members may be required to bring the engine back to the tie up point, and may perform not more than three (3) switching moves before tying up.

If an extra person is called to complete the shift, the remaining crew members may make up to three (3) switching moves during this waiting time for the extra employee to arrive.

- (C) Yardmen or enginemen will not be required to handle cables, aprons, or loading plates; to close or open doors; or to operate dump cars, weed burners or rail loaders.
- (D) General or local officials will not perform the duties of enginemen, foremen or helpers in switching or moving cars or engines. When such service is required, a yard crew will be called. This rule will not apply to maintenance employees moving same for repair or servicing on Roundhouse Tracks and Refer Track from clearance point of switch at main line East of Underpass and Refer Track to the south.

- IV. Amend Article 13 of the existing schedule to include the following:

- (F) Employees hired after the effective date of this Agreement and furloughed for 365 consecutive days without performing compensated service will be terminated.

V. GENERAL PROVISIONS AND EFFECT OF THIS AGREEMENT:

- (A) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement.
- (B) This Agreement shall be construed as a separate Agreement by and on behalf of Stockton Terminal and Eastern Railroad and their employees represented by the Organization signatory hereto, and shall remain in effect through June 30, 1997, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (C) The parties to this Agreement shall not serve nor progress prior to July 1, 1997 (not to become effective before January 1, 1998), any notice or proposal for changing any matter contained in this Agreement.
- (D) New proposals properly served under the Railway Labor Act covering matters which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended.
- (E) This Section will not bar Management and the Organization from agreeing upon any subject of mutual interest.

Signed at Stockton, California this 19th day of July 1993.

FOR THE UNITED TRANSPORTATION
UNION

/s/ C. D. Grimshaw
General Chairman

/s/ J. R. Lott
Local Chairman

FOR THE STOCKTON TERMINAL AND
EASTERN RAILROAD

/s/ Greg Carney
Vice President, Chief Operating Officer

/s/ Robert Jenkins
Vice President

APPROVED BY:

/s/ J. L. Easley
Vice President, UTU