

**Memorandum of Agreement
Between
Union Pacific Railroad
And the
United Transportation Union**

**Vacation Agreement Administration Modification
DFW Hub**

In order to provide an alternative procedure to assign vacation periods and allocate single days of vacation, it is agreed:

Section 1 – Single Day Vacation Allotment:

- A. Beginning with the 2012 Vacations employees may, at the time of submission of their vacation request for the upcoming year, designate one (1) week of single day vacation to "Float".
- B. Designate "Float" weeks will be excluded from the number of total vacation weeks to be assigned in each vacation grouping and, as such, will not be scheduled.
- C. Employees may designate up to two (2) weeks as single-days in addition to the "Float" week. An employee designating a "Float" week as single days must exhaust the "Float" week prior to using any other week(s) designated for single days.
- D. The number of "Float" weeks/days remaining for the year will be reviewed on or about September 1st. If necessary, the Local Chairman, with the approval of Crew Management Service (CMS), will schedule the remaining "Float" week single days beginning September 1 and ending December 15.

Section 2 – Back Filling Vacation weeks:

- A. A vacation week/slot will be considered open/available once an employee uses all his/her single days from that week/slot, or vacates the week for other reasons, i.e., retirement etc. and the vacated week will be available to be filled by the Local chairman with jurisdiction over the vacation grouping in which the vacancy occurs.
- B. An employee electing to move his/her vacation into an open week/slot will not be allowed to take single day vacations from this moved week.
- C. Only a full week(s) of vacation may be moved under this Section 2.

Section 3 – Vacation Group:

- A. The grouping assignment of an employee's vacation for the upcoming year shall be based on the location and class of service where he/she was assigned for a preponderance of the time during the six (6) month qualification measurement period between April 1 through September 30 of the current year.
- B. This Section 3 will modify existing arrangements governing vacation groupings or other matters pertaining to vacation assignments.

Section 4 – Board Adjustments:

- A. Employees assigned to Pool Service who are observing a scheduled, solid week(s) vacation will have their turn removed from rotation and placed in a suspended or deactivated status if the mileage regulation calls for the pool to be reduced during the period corresponding with the scheduled vacation.

NOTE 1: An employee's turn will not be removed from rotation if the mileage regulation does not require a reduction in the pool.

NOTE 2: In instances where a pool employee's turn has been suspended per this article, upon the return of the vacationing employee the appropriate turn in the pool may be reduced unless the Local Chairman and CMS make the mutual determination that the reduction is no longer necessary.

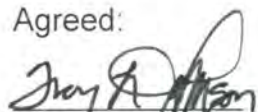
- B. Employees, whose turn is suspended or deactivated pursuant to article A of this Section 4, will return to the foot of the board upon the return of the vacationing employee.
- C. Considering of employees observing weekly vacations will be taken into account when determining extra board or pool adjustments.

Section 5 – General:

- A. This memorandum of agreement may be cancelled by either party serving notice upon the other party by October 1 to be effective January 1.
- B. During the intervening time or as mutually agreed, the parties will meet to discuss the causes of the cancellation notice in an effort to resolve those issues and avoid termination of this agreement.

C. If neither party opts to permanently cancel this agreement prior to October 1, 2015, any cancellation thereafter will only be effected by mutual agreement between the Parties.

Agreed:



Troy Johnson
General Chairman – UTU

T. Gary Taggart
Director-Labor Relations

UNION PACIFIC RAILROAD COMPANY

Gary Taggart
Director – Labor Relations



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BUILDING AMERICA
July 8, 2011

Side Letter No.1

MR. TROY JOHNSON
GENERAL CHAIRMAN – UTU
4411 OLD BULLARD ROAD
SUITE 600
TYLER, TEXAS 75703

DEAR SIR:

This is In connection with our memorandum of agreement – Vacation agreement Administration Modification, specifically, Section 4- Board Adjustments.


The parties may desire to suspend/cancel Section 4 without cancelling the entire agreement. Accordingly, either party may cancel Section 4 by serving a 30-day notice upon the other. During the intervening time or as mutually agreed, the parties will meet to discuss the causes of the cancellation notice in an effort to resolve those issues and avoid termination of this section.

If Section 4 is not cancelled by October 1, 2012, this Side Letter No. 1 will automatically cancel and no longer in effect.

If this accurately reflects our understanding, please indicate your acceptance and concurrence by signing in the space provided below.

Sincerely,

Thomas G. Taggart
Director – Labor Relations


Troy Johnson
General Chairman - UTU