AGREEMENT

between

LOUISIANA AND NORTHWEST RAILROAD

and its employees represented by the

BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES DIVISION

OF THE

INTERNATIONAL BROTHERHOOD
OF TEAMSTERS

Effective August 1, 2015
PREAMBLE

The following Agreement between the Louisiana and Northwest Railroad, (LNW or "Company") and the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters ("BMWED, or "Organization") recognizes the unique 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 and the employees, and jointly with the customers and public. All concerned will benefit by continued peace and harmonious relationships, and any differences must be settled through rational common sense methods.

Employees covered by this Agreement shall be governed by all Company rules, policies, practices and procedures previously or hereafter issued or modified by the LNW, and/or Patriot Rail, and any prior or future modifications to these issuances, which are not in conflict with the terms and condition this Agreement, which have been or are made available to the affected employees.

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.

Therefore, in consideration of the mutual promises and agreements contained herein, all concerned parties mutually agree as follows:
RULE 1. REPRESENTATION, CLASSIFICATIONS

REPRESENTATION

The Company recognizes the Organization as the designated representative of the craft of Brotherhood of Maintenance of Way Employees of LNW pursuant to terms and conditions of Section 2 of the Railway Labor Act, as amended. Where the term Organization appears herein, it shall be understood to mean the duly elected Officers of the Organization. Where the term Company Officer appears, it shall mean the officer of the Company who has been designated, by the Company, to handle such specific matters. The right to make and interpret contracts and/or agreements covering rules, rates of pay, and working conditions on behalf of employees covered by this Agreement shall be vested in the duly authorized representative. The use of the term "Employee" shall mean all Maintenance of Way employees represented by the Organization. This Agreement shall constitute a Labor Agreement between the Company and the Organization and shall be uniformly applied to all Employees represented by the Organization collectively, except where otherwise specifically provided herein.

CLASSIFICATION

For purposes of this Agreement, the following pay classifications have been established: Track Inspector, Signal Maintainer, Track Foreman, Track Machine Operator, and Trackman. This provision shall not be construed to create any restriction upon the use of employees in any classification on any given day. An employee will be paid at the highest rate of any classification worked in a day.

RULE 2. ESTABLISHING SENIORITY

(a) Rights accruing to employees under their seniority entitle them to consideration for positions in accordance with their relative length of service with the Company, as hereinafter provided.

(b) An applicant for employment will be required to fill out and execute the Company'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 in writing within ninety calendar days after date first service is performed, or applicant shall be considered accepted.

(c) In the event applicant gives false information, the Company will have the right to disapprove such application after the ninety calendar days probationary period has expired if the information involved was of such a nature that the employee would not have been hired if the Company 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 ninety 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 on the same date will be shown on the roster on the basis of the highest 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.

RULE 3. SENIORITY RIGHTS

(a) Assignments and displacements shall be based on seniority; qualifications being sufficient, seniority shall prevail.

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

(c) Disqualified employees may submit a grievance concerning a written disqualification in accordance with Rule 18 (Grievance).

(d) Company seniority shall be broken, and all employment rights shall be forfeited, when an employee:

1. resigns or quits;
2. is discharged;
3. hired after October 17, 1986, with less than three years of seniority, is furloughed for three hundred sixty five consecutive days.

Note: The three hundred sixty five consecutive days will exclude any period during which a furloughed employee receives compensation pursuant to a Surface Transportation Board employee protection order or an employee protection agreement or arrangement.

4. fails to report to work following recall from furlough within fifteen calendar days after being notified by certified mail return receipt requested, at the last address furnished to the Company by the employee;
5. fails to return following the end of a leave of absence.

RULE 4. SENIORITY ROSTERS

(a) For the employees covered by this Agreement, the entire railroad shall constitute a single seniority district over which employees may exercise their seniority. There shall be no restrictions upon where within the seniority district any employee can work at any time.

(b) A seniority roster showing the name and seniority date of all employees will be posted within thirty calendar days following the effective date of this Agreement in places accessible to all employees affected. A copy of the roster will be provided to the Organization at the time it is posted.

(c) The roster will be revised and posted in January of each year and will be open to
protest (for errors associated with the new roster only) for a period of sixty calendar days from date of posting and upon presentation of proof of error by an employee, or his representative, such error shall be corrected.

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

RULE 5. FORCE REDUCTIONS

(a) When forces are reduced or positions are abolished, employees affected will be given five working days’ notice to the effective date of force reduction or abolishment of positions.

(b) Employees affected by force reduction, abolishment of positions, or who are displaced by senior employees will have twenty-four hours, not counting non-working days, to exercise seniority over any junior employee. It is understood that in the application of this Section (b) it is the employee’s responsibility to contact the Roadmaster to exercise seniority to an available position.

(c) Employees on vacation, medical leave, or authorized leave of absence will not have those days counted as part of the twenty-four hours in which to exercise seniority.

(d) To the extent that his seniority permits, an employee must exercise his seniority over junior employees. In the event there are no positions on which he can place himself, he will be placed in furlough status until he is either called back in seniority order or is able to acquire a position by bulletin.

RULE 6. POSITIONS

(a) Each position will be established to work either four or five days during the work week. To the extent possible, work days will be consecutive.

(b) All new positions or permanent vacancies will be bulletined on Mondays and such bulletins will close on the following Thursday at 4:00 p.m.

(c) Each bulletin will contain the following information:

Date of posting
Job Title
Position
Reporting Location
Work Days
Assigned hours
Date position starts work
Rate of Pay
(d) Employees desiring such position shall file written applications with the Road Master with a copy to the General Chairman.

(e) Assignments will be awarded on the Friday following the Monday that such assignments were bulletinized to be effective on the next following Monday. Notice of the name of the successful applicant(s) will be posted.

(f) A senior employee on vacation, sick leave, or other authorized leave during the entire time period of a bulletin will be permitted to displace a junior employee from an assignment secured by bulletin that was posted and assigned during the absence of such senior employee, provided he does so within twenty-four hours upon reporting back for service.

RULE 7. FILLING VACANCIES

When a position has or will be vacant for thirty calendar days or more when an employee is off work due to medical or personal leave of absence the position will be bulletinized. Upon returning from such leave of absence, the employee will be allowed to displace a junior employee.

RULE 8. TRAINING and QUALIFYING

(a) Employees may be required to obtain and maintain a Class A Commercial Driver’s License as a condition of employment. The Company will provide and pay for employees to secure and maintain the CDL, including providing a company vehicle for the test.

(b) Employees may not be awarded a position on which not yet qualified. When a junior qualified employee is awarded a position or a bulletinized position is unfilled, a training position will be established as soon as practicable for the senior employee desiring the position. The employee shall be given up to thirty training days in which to qualify. At the discretion of the Company, an employee may be given reasonable time in excess of thirty training days in which to qualify.

(c) An employee who fails to pass examination(s) or who is otherwise disqualified shall be advised promptly, in writing, with copy to the General Chairman as to cause or reason of his failure to qualify. An employee disqualified may progress the matter as a grievance under Rule 18.

RULE 9. WORK WEEK & OVERTIME

Note: The expressions “positions” and “work” used in this Rule refer to service, duties, or operations necessary to be performed the specified number of days per week, and not to the work week of individual employees.

(a) GENERAL - The Company will establish a work week of forty hours, consisting of five days of eight hours each, with two consecutive days off in each seven; or four days of ten
hours each with three consecutive off days in each seven. As far as practicable, the days off for five days assignments will be Saturday and Sunday and the days off for four days assignments will include Saturday and Sunday.

(b) OVERTIME – (1) Time worked following and continuous with the regular eight or ten hour work period shall be paid for at the rate of time and one-half computed on the actual minute basis with double time computed on an actual minute basis after sixteen continuous hours of work in any twenty-four hour period computed from starting time of the employee’s regular shift, thereafter at time and on-half rate or double rate as the case may be until relieved for eight hours or more rest.

(2) Employees who are required to work or are held on duty on rest days or paid holidays shall be compensated at the rate of time and one-half.

(3) When a Maintenance of Way project gang from another Patriot railroad is performing work on the L&NW is scheduled to work on its rest days or a paid holiday, the employees covered by this Agreement working in conjunction with that project gang during the regular work week will also be offered the opportunity to work on their rest days or paid holidays.

(c) BEGINNING OF WORK WEEK - The term “work week” for regularly assigned employees will mean a week beginning on the first day on which the assignment is bulletined to work.

RULE 10. STARTING TIME

Regular assignments will have designated headquarters and will have a fixed starting time. During a work week, if the regular starting time of an assignment must change on a day or for the balance of that work week due to unexpected conditions, the affected employee(s) will be so advised by the end of work on their previous work shift (workday). At the time of notification, the Company must advise the employee(s) of the duration of the starting time change and the day the employee(s) are to revert to theirbulletined starting time. The starting time change must be confined to a range between 5:00 a.m. and 9:00 a.m. Any change of starting time that will extend beyond the work week, the assignment must be bulletined under Rule 6.

RULE 11. MEAL PERIOD

(a) When a meal period is allowed, it will be between the ending of the fourth hour and the beginning of the seventh hour after starting work, unless otherwise agreed upon by the employees affected and the designated Company officer. The meal period will not be less than thirty minutes nor more than one hour. If the meal period is not afforded between the fourth and the seventh hours, it will be paid for and twenty minutes time in which to eat will be afforded at the first opportunity, with no deduction in pay.
(b) For regular operations requiring continuous hours, eight consecutive hours without meal period may be assigned as constituting a day’s work, in which case not to exceed twenty minutes will be allowed in which to eat without deduction in pay, when nature of the work permits.

(c) For continuous service after regular working hours, employees will not be required to work, more than three hours after their regular work period without being afforded a meal period which will not terminate the continuous service and will be paid for up to thirty minutes.

(d) Employees worked in emergencies will be furnished meals by and at the expense of the company within five hours after going on duty and at five hour intervals thereafter computed from the end of the last meal period.

RULE 12. CALL OUT

Employees notified or called to perform work outside of and not continuous with the regular work period, will be allowed a minimum of four hours overtime compensation for four hours of work or less, and if held on duty in excess of four hours, will be allowed overtime compensation on a minute basis.

RULE 13. HOLIDAYS

(a) Employees will observe the following paid holidays each year based on the schedule set by the LNW:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>Thanksgiving Day</td>
</tr>
<tr>
<td>Good Friday</td>
<td>Day after Thanksgiving Day</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Christmas Eve Day (the day before Christmas is observed)</td>
</tr>
<tr>
<td>July 4th</td>
<td>Christmas Day</td>
</tr>
<tr>
<td>Labor Day</td>
<td>New Year’s Eve Day (the day before New Year’s is observed)</td>
</tr>
</tbody>
</table>

NOTE 1: When any of the above listed holidays fall on Sunday, the day observed by the State or Nation shall be considered the holidays.

NOTE 2: By mutual agreement, the Company and the Organization may agree to substitute any of the above listed holidays for locally observed holidays.

(b) To be eligible for holiday pay, employees must either work or be available for work on the last work day before and the first work day after the holiday. If scheduled to work the holiday, employees must protect their assignments in order to be eligible for holiday pay. Employees who are displaced during a holiday eligibility period and who fulfill the requirements in Rule 5 of this Agreement will not lose eligibility for holiday pay. Employees who are on a personal leave day, vacation, or bereavement leave on those days are considered to have met this requirement and are eligible for holiday pay provided they work or are available for work on the last work day before and the first work day after vacation or bereavement leave.
(c) Holiday Pay will be paid to each employee based on a day’s pay at the Pay Classification of the current position in that work week. In addition to Holiday Pay, an employee required to work on a holiday will receive pay at the rate of time and one half for hours actually worked provided all conditions have been met to receive “Holiday Pay” as in the above.

(d) An employee on short-term or long-term leave without pay is not entitled to holiday pay.

(e) Paid time off for holidays is not counted as hours worked for the purposes of determining overtime.

(f) A furloughed employee with standing for recall shall be eligible for the paid holiday or pay in lieu thereof provided he has been credited with compensated service for eleven or more of the thirty calendar days immediately preceding the holiday.

RULE 14. VACATIONS

(a) Active employees are eligible for vacation pay after they have completed thirty calendar days of service. Vacation time is accrued on a monthly basis for each calendar year and must be taken during the calendar year in which it is earned. The maximum number of days earned in a given calendar year is based upon years of continuous service with the Company. Years of service are based on the number of completed years from hire date as a regular full-time employee.

(b) Vacation hours shall be paid at the rate of the employee’s regular position. Paid vacation will not be counted as hours worked for the purpose of determining overtime.

(c) **Rate of Accrual**

<table>
<thead>
<tr>
<th>Length of Maximum Service</th>
<th>Rate of Accrual/Hrs/Month</th>
<th>Accrual/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4 yrs</td>
<td>6.67 hours</td>
<td>80 hours</td>
</tr>
<tr>
<td>5-11 yrs</td>
<td>10 hours</td>
<td>120 hours</td>
</tr>
<tr>
<td>12 + yrs</td>
<td>13.33 hours</td>
<td>160 hours</td>
</tr>
</tbody>
</table>

Note: Employees with a seniority date on or before January 1, 2012 will be granted an additional forty hours of vacation upon attaining twenty-five years’ service with the LNW.
(d) Employees will file to schedule vacation weeks for the coming year no later than December 1. The overall vacation schedule for all employees will be developed based on an employee’s right of preference based on their seniority. Employees requesting to split vacation will only get seniority preference for the first split. Vacation schedules will be developed in consideration of a variety of factors including anticipated operating requirements and staffing considerations. The completed schedule will be posted on or about December 15.

(e) In a given calendar year an employee may take vacation hours before he/she has earned them. However, should an employee leave the Company for any reason without having rendered enough compensated service to have earned all the days used, the unearned hours will be deducted from an employee’s final paycheck.

(f) At least one week of vacation may be taken one day at a time provided the requesting employee is entitled to ten or more vacation days in that calendar year. When one day of vacation is taken it must be approved by the designated Company officer, and will be paid for the employee’s current rate of pay. Such vacation days will be requested and scheduled the same as personal leave days.

(g) Any unused and unscheduled vacation as of September 1 of each year will be scheduled for the employees in seniority order by the Company and the Organization during the balance of the calendar year. The schedule of this unused time will be posted on or before September 15.

(h) If vacation time is unused because of death, furlough, or military service the employee or his survivors will be paid for any accrued unused vacation.

**RULE 15. PERSONAL LEAVE**

(a) Each person having an employee relationship with the Company of two years or more shall be entitled to three personal days per year.

(b) Personal days shall not be accumulated from year to year and shall be lost if not taken within the calendar year in which the employee is entitled thereto.

(c) Personal leave days will be paid for at the regular rate and daily assigned hours of the employee’s position.

**RULE 16. BEREAVEMENT LEAVE**

(a) The purpose of bereavement leave is to provide full-time regular employees with time off from work to attend the funeral of a family member and to handle personal affairs without disrupting their income. Bereavement leave shall be based on the rate of pay of the employee’s current position.

(b) Employees will be allowed a maximum of three consecutive working days with
pay, in the event of the death of an immediate family member. An employee may be granted one day 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 purposes of determining overtime. Family member categories are defined as:

<table>
<thead>
<tr>
<th>Immediate Family</th>
<th>Extended Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Parents (including Step)</td>
<td>• Aunts and Uncles</td>
</tr>
<tr>
<td>• Siblings (including Step)</td>
<td>• Cousins</td>
</tr>
<tr>
<td>• Children (including Step)</td>
<td>• Nieces and Nephews</td>
</tr>
<tr>
<td>• Spouse</td>
<td></td>
</tr>
<tr>
<td>• In-Laws</td>
<td></td>
</tr>
<tr>
<td>• Grandparents</td>
<td></td>
</tr>
<tr>
<td>• Grandchildren</td>
<td></td>
</tr>
<tr>
<td>• Domestic Partner</td>
<td></td>
</tr>
</tbody>
</table>

Documentation is required in all cases of taking bereavement leave.

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

RULE 17. HEARINGS AND INVESTIGATIONS

(a) Subject to the following, an employee in service more than ninety calendar days 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 fifteen calendar days of the occurrence on which is to be based, or within fifteen calendar days of when the Company's designated officer had first knowledge of the incident. Within fifteen calendar 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 an Organization-represented fellow 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, a transcript of the investigation, which will include all statements, reports and information made a matter of record at the hearing, will be provided the charged employee, his representative at the investigation, and his General Chairman on the same date the decision is sent to the charged employee.

(b) In cases the Company 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 LNW 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 calendar days following the investigation, and written notice thereof will be given the employee, with copy to the General Chairman. 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 investigation provided for herein may be waived by the employee provided that any discipline assessed is confirmed in writing, with copy to his General Chairman.

(e) 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.

(f) The provisions of Rule 18 shall be applicable to the filing of claims and to appeals in discipline cases.

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

(h) 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.

RULE 18. CLAIM AND GRIEVANCE PROCEDURE

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved to the Highest Designated Officer of the Company authorized to receive same within sixty calendar days from the date of the occurrence on which the claim or grievance is based. Should any claim or grievance be disallowed, the Company shall, within sixty 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 Company as to other similar claims or grievances.

(b) All claims or grievances involved in a decision by the Highest Designated Officer
shall be barred unless, within nine 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 calendar months' period herein referred to.

(c) 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 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.

(d) 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.

RULE 19. EXPENSES

An employee required to stay overnight away from his headquarters location, including when used on a voluntary basis on another Patriot railroad, must be more than twenty-five miles from his headquarters point to be eligible for reimbursement for meals and lodging. When an employee is required to take lodging, the Company will pay for the lodging. The Company will make arrangements for direct billing of the lodging to the Company, or in such cases as an emergency or other matter where direct billing is not available, the Company will reimburse the employee for his incurred lodging expense (room and tax only). Reimbursement for meal expenses will be made in the form of a $45 per diem payment for each day away from the employee’s headquarters. No receipts will be required.

NOTE: Upon notification to the General Chairman, the L&NW employees may be directed to assist in M of W repair work on another Patriot railroad in case of an emergency such as a fire, tornado, hurricane, or major train derailment. When so directed, the provisions of this Rule 19 will apply.

RULE 20. ATTENDING COURT

Employees taken away from their regular assigned duties at the request of the Company to attend court or to appear as witnesses for the Company shall be allowed time consumed with a minimum of a day’s pay based on the rate of pay of the employee’s current position. Transportation will be provided by the Company or the employee may furnish his own transportation and be reimbursed at the IRS mileage rate. If the employee is required to leave his seniority district expenses will be allowed per Rule 19.
RULE 21. EXAMINATIONS

An employee directed by the Company to attend training, rules examinations, or attend safety meetings will be paid for time lost, if any, for such activities. If the employee is required to leave his seniority district expenses will be allowed per Rule 19.

RULE 22. LEAVE OF ABSENCE

(a) Leaves of absence shall be governed by the current Patriot Rail Employee Handbook.

(b) The granting of a leave of absence by the Company shall be based on the nature of the request and operational requirements of the Company. Extensions of the leave of absence may be granted at the option of the Company.

(c) An employee shall immediately return to work upon termination of his leave of absence. Failure to do so shall constitute termination of employment.

(d) An employee who has been granted a leave of absence shall be considered as having terminated his employment without notice if, while on such leave, the employee engages in, or applies for, other employment.

(e) An employee who has obtained a leave through fraud or misrepresentation shall be subject to discharge at the sole discretion of the Company.

(f) An employee returning after leave of absence shall return to his former position provided it has not been abolished or a senior employee has not exercised displacement rights thereon. Upon return or within twenty-four hours thereafter, such employee may exercise seniority rights on any position bulletin during such absence. In the event the employee's former position has been abolished or a senior employee has exercised displacement rights thereon, the returning employee will be governed by the provision of Rule 5 and may displace a junior employee if such rights are asserted within twenty-four hours after his return. Employees displaced by his return shall have the privilege of exercising seniority rights over junior employees in the same manner.

NOTE: This rule also applies to an employee reporting for duty after vacation, sickness, disability, suspension or after an absence for any other legitimate cause.

(g) Duly accredited representatives employed exclusively by the Organization shall be granted leave of absence and must return to their former positions or exercise seniority rights within thirty calendar days after release from such employment or forfeit their seniority.

(h) Other duly accredited representatives of employees shall be granted necessary time off without pay from the Company for hearings, consideration and adjustment of grievances, negotiations, to attend meetings of employees or other matters connected with the interests of the employees. Representatives must provide forty-eight hours' notice to a Company official for the purpose of attending meetings such as Organization Conventions or Joint Protective Board meetings.
RULE 23. JURY DUTY

Employees will be compensated for time lost, if any, at the straight time rate of pay when serving jury duty to a maximum of forty hours in a work week and a maximum of four hundred eighty hours in a year. Employees must show the jury duty summons to the supervisor as soon as possible to make arrangements to accommodate the employee’s absence. The amount of the lost time paid will be offset by any jury duty pay provided to the employee by the court. Employees are expected to work their assignments whenever the court schedule permits.

RULE 24. UNION SHOP

The provisions of the Union Shop Agreement shall be applicable to employees covered by this Agreement. (Appendix A hereto).

RULE 25. DUES DEDUCTION

The provisions of the Dues Deduction Agreement shall be applicable to employees covered by this Agreement. (Appendix B hereto).

RULE 26. BENEFITS

(a) CURRENT EMPLOYEES

1. a. Employees covered by this Agreement, with an employment relationship with the Carrier as of the effective date of this Agreement (hereinafter “Current Employees”), will continue to be covered by the most current terms and plan structure of the Railroad Employees National Health and Welfare Plan and as that Plan is amended from time to time by agreement between the National Carrier’s Conference Committee and the Organization. Unless and until otherwise agreed by the parties to this Agreement, each Current Employee will have the cost share, as shown below, deducted from his pay for each month the Carrier is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents. As permitted by Law, the deduction will be performed on a pre-tax basis and will not be deducted in the same pay period as any deductions are made for union dues or agency fees.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2016</td>
<td>$175.00</td>
</tr>
<tr>
<td>August 1, 2017</td>
<td>$190.00</td>
</tr>
<tr>
<td>August 1, 2018</td>
<td>$200.00</td>
</tr>
<tr>
<td>August 1, 2019</td>
<td>$210.00</td>
</tr>
<tr>
<td>August 1, 2020</td>
<td>$220.00</td>
</tr>
</tbody>
</table>
NOTE: In any year that the cost share per month under the National Agreement is less than the cost share shown above, the employees covered by this agreement will pay a cost share per month of the lesser of the amount shown above and the cost share in the National Agreement.

b. As permitted by Law, the deduction for the monthly cost share will be performed on a pre-tax basis and will be deducted in equal payments in each bi-weekly pay periods.

c. The parties have agreed to participate in the “Railroad Employees National Health Flexible Spending Account Plan”. Employees covered by this agreement will be eligible to participate on a voluntary basis commencing January 1, 2016 provided they have applied during the open enrollment period in the Fall of 2015.

(2). Current Employees shall also continue to be covered by: the National Supplemental Sickness Benefit Plan; the National Dental Plan; the National Early Retirement Major Medical Benefit Plan (ERMA), the National Vision Care Plan, and Off-Track Vehicle Accident Benefits as such plans are amended from time to time by agreement between the National Carrier’s Conference Committee and the Organization.

(b) NEW EMPLOYEES

(1) The Carrier shall provide employees covered by this Agreement, hired after the effective date of this Agreement (hereinafter “New Employees”), Medical, Dental, Vision, Short and Long Term Disability, Life, and Accidental Death & Disability benefits as contained in the plans that apply in general to the employees of the Patriot Rail subsidiaries as they may be amended from time to time. Benefits and employee contributions may be changed from time to time, and when changed, the employees covered by this paragraph (b) (1) will receive appropriate advance notice.

(2) New Employees should refer to plan documents for exact details of their benefits. Current plan booklets, outlining the coverage, will be available to be obtained from the Carrier’s Office Manager.

(3) New Employees must meet the qualifying criteria described in the plans before they become eligible to receive benefits and will only remain eligible as long as the New Employee remains qualified as provided in the applicable plan.

(c) The Company will make available on the same terms as it does to other union-represented employees, a 401(k) plan which is not-contributory by the Company. Employees covered by this Agreement must meet the Plan eligibility requirements to participate.
RULE 27. CLASSIFICATIONS AND HOURLY RATES OF PAY

(a) Hourly Rates of Pay

<table>
<thead>
<tr>
<th>Classification</th>
<th>8/1/2015</th>
<th>8/1/2016</th>
<th>8/1/2017</th>
<th>8/1/2018</th>
<th>8/1/2019</th>
<th>8/1/2020</th>
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</thead>
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<td>$19.95</td>
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<td>$20.96</td>
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<td>$20.20</td>
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<td>$17.18</td>
<td>$17.61</td>
<td>$18.05</td>
<td>$18.50</td>
</tr>
</tbody>
</table>

(b) On any day that a Trackman with a CDL license is required to drive a Company Vehicle, he will receive a $1.25 differential per hour.

(c) The following machinery shall qualify for the Equipment Operator rate of pay:

Tamper
Tie Inserter
Back Hoe
Loader
Excavator
Tractor with Brush Hog
Ballast Regulator
Tie Crane
KGT

NOTE: Should the Carrier purchase or utilize a piece of machinery for M of W work not on the above list, upon notification from the General Chairmen, the parties will meet promptly to determine application of this paragraph (c) to such machinery.

RULE 28. PRINTED AGREEMENT

The Company shall provide employees with a copy of this Agreement and amendments thereto without cost, and employees will acknowledge receipt in writing.

RULE 29. REPORTING ABSENTEEISM

In the event an employee, regular or extra, finds it necessary to be absent from work for any reason he must notify his immediate supervisor as promptly as possible of his contemplated absence and the reason therefor. In non-emergency situations, the employee must make the notification at least twenty four hours in advance of reporting time. In emergency situations the
notification should be no later than two hours prior to the starting time of his assignment. Employees laying off without permission may be subject to discipline.

RULE 30. RETURN TO DUTY AFTER ILLNESS

In the event an employee is absent from work for a period in excess of three successive work days due to his own illness or off-duty injury, the employee may be required to provide to his supervisor a release from his attending physician certifying to his fitness to resume active duty before he will be permitted to do so. Company may direct the employee to see a Company doctor before being allowed to return to work and Company will pay for any examinations or tests that are required.

RULE 31. OFFICIAL, SUPERVISORY OR ORGANIZATION POSITIONS

(a) An employee assigned to an official or supervisory position with the Organization will retain and accumulate seniority while so assigned.

(b) All employees promoted to official, supervisory, or exempted positions from crafts or classes represented by the Organization shall be required to pay an appropriate monthly fee, not to exceed monthly Organization dues, in order to continue to accumulate seniority.

(c) An employee relieved from an official or supervisory position with the Company, or an employee relieved from an official position with the Organization, or an employee who voluntarily relinquishes such an official or supervisory position may, within thirty calendar days thereafter, exercise seniority over a junior employee in accordance with Rule 5 in the seniority rank in which employed at the time of assignment to an official or supervisory position. Should such an employee's seniority and qualifications not entitle him to hold a position in the seniority rank in which employed at the time of assignment to an official or supervisory position or in the highest seniority rank in which seniority has been acquired in the seniority district in which employed at the time of assignment to an official or supervisory position, then such an employee may exercise seniority in accordance with Rule 5 in any other seniority roster in which seniority has been acquired.

(d) An employee displaced as a result of the return of an employee from an official or supervisory position will have the same rights as provided for herein for the employee returning from an official or supervisory position.

(e) It is understood official, supervisory or exempted positions (i.e., positions not covered by this agreement) refers to such positions within the companies owned by the parent corporation.

RULE 32. SAFETY

(a) Each January 1st, regardless of length of service, each employee will qualify for a reimbursement of up to a maximum of one hundred fifty dollars following the purchase of company approved safety boots and fifty nine dollars for rain gear annually.
(b) In order to receive the reimbursement, employees will be required to present the company with a receipt documenting the shoe and/or rain gear purchase.

(c) Other safety equipment required by the company will be provided by the Company.

RULE 33. PAY SHORTAGES

In any payroll period where a Company error results in an under payment of one day’s pay or more, the Company will issue a check for the underpayment. For errors under one day’s pay or where the employee is at fault, the error will be corrected in the subsequent payroll period. Employees must participate in a direct deposit of paychecks and expense checks if offered.

RULE 34. PHYSICAL

(a) Examinations – Consistent with applicable laws and regulations, employees may from time to time be required to take a physical examination at the expense of the Company to determine their fitness to reasonably perform the service required, and to protect the health and safety of other employees.

(b) If an employee is found to be medically disqualified by the Company's physician and the employee is of the opinion that his condition does not justify removal from the service or restriction of his rights to service, appeal will be made to the designated officer of the Company for a joint medical board to be established.

(c) The employee involved will select a physician to represent him and the Company will select a physician to represent it (who may be the original examining physician) in conducting a further medical examination. If the two physicians thus selected agree, the conclusion reached by them as to the individual’s medical condition will be final.

(d) If the two physicians selected do not agree as to the medical condition of such individual, they will select a third physician to be agreed upon by them, who shall be a practitioner of recognized standing in the medical profession and a specialist in the disease or ailment from which the individual is alleged to be suffering. The third physician thus selected will examine the employee and render a report with reasonable promptness setting forth his physical condition and an opinion as to his fitness to continue service in his regular employment, which shall be accepted as final. Should the decision be adverse to the individual, and it later appears through medical findings that his condition has improved, a re-examination by the Company's physician will be arranged after a reasonable interval upon the request of the employee or the Organization.

(e) The Company and the employee will each pay for the costs of their chosen physician and share equally in paying the costs of the third physician.

(f) If an employee has been out of active service for more than ninety calendar days, before resuming service he will be required to pass a physical examination (including drug and alcohol testing) before being permitted to return to duty.
RULE 35. BULLETIN BOARDS

The Company shall provide space on a bulletin board at headquarters for posting of Organization business, provided that such notice(s) shall not include any defamatory or anti-Company material.

RULE 36. EFFECT OF THIS AGREEMENT

(a) This Agreement shall become effective on ratification and shall remain in effect until and unless changed under the provisions of the Railway Labor Act, as amended, or by mutual consent of parties signatory hereto.

(b) 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 February 1, 2021, to be effective no earlier than August 1, 2021. All pending Section 6 Notices between the parties are hereby withdrawn.

(c) The provisions under Paragraph (b) above shall not bar the Company and Organization from agreeing upon any subject of mutual interest.

Signed at Homer, LA this 12th day of August, 2015.

FOR THE ORGANIZATION:

Dennis R. Albee
General Chairman

R. D. Smith
Vice President

FOR THE COMPANY:

Matt Ennis
Vice President Transportation

Dennis A. Morgan
Chief Operating Officer
APPENDIX "A"

UNION SHOP AGREEMENT

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of this Company now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this Agreement representing their craft or class within ninety calendar days of the date they first perform compensated service as such employees after the effective date of this Agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days within a period of twelve consecutive calendar months. Nothing in this Agreement shall alter, enlarge, or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This Agreement shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this Agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

A. Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such agreements, or who, for a period of thirty calendar days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this Agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to such agreements, be required to become and remain members of the organization representing their class or craft within thirty-five calendar days from date of their return to such service.

B. The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-servicemen shall not be terminated by
reason of any of the provisions of this Agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this Agreement.

C. Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who, for reasons other than those specified in subsections A and B of this section, are not in service covered by such Agreements, or leave such service, will not be required to maintain membership as provided in Section I of the Agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

D. Employees who retain seniority under the Rules and Working Conditions Agreements of their class or craft, who are members of an organization signatory hereto representing that class or craft and who in accordance with the Rules and Working Conditions Agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose Agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the Agreement covering such other class of service.

Section 4.

Nothing in this Agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this Agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same organizational unit.

Section 5.

A. Each employee covered by the provisions of this Agreement shall be considered by a Company to have met the requirements of the Agreement unless and until such Company is advised to the contrary in writing by the organization. The organization will notify the Company in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this Agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used shall be agreed upon by the individual railroad and the organizations involved and the form shall make provision for specifying the reasons for the allegation of noncompliance. Upon receipt of such notice, the Company will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this
Agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the Company in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the Company shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefore. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the Company of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the Company is rendered.

In the event the employee concerned does not request a hearing as provided herein, the Company shall proceed to terminate his seniority and employment under the Rules and Working conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the Company and the organization agree otherwise in writing.

B. The Company shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the Company and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the organization, it may be appealed in writing, by Registered or Certified Mail, Return Receipt Requested, directly to the highest officer of the Company designated to handle appeals under this Agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The Company shall promptly notify the other party in writing of any such appeal, by Registered or Certified Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employee and the organization shall be properly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

If the decision of such appeal is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the Company and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employee involved requests the selection of a neutral person to decide the dispute as provided in Section 5 C below. Any request for selection of a neutral person as provided in Section 5 C below shall operate to stay action on the termination of
seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

C. If within ten calendar days after the date of a decision on appeal by the highest officer of the Company designated to handle appeals under this Agreement the organization of the employee involved requests such highest officer in writing by Registered or Certified Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the Company designated to handle appeals under this Agreement or his designated representative, the Chief Executive of the organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The Company, the organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The Company, the employee, and the organization shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the Company and the organization; if the employee's position is not sustained, such fees, salary and expense shall be borne in equal shares by the Company, the organization and the employee.

D. The time periods specified in this section may be extended in individual cases by written agreement between the Company and the organization.

E. Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreement between a Company and the organization will not apply to cases arising under this Agreement.

F. The General Chairman of the organization shall notify the Company in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this Agreement. The Company shall notify the General Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this Agreement.

G. In computing the time periods specified in this Agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this Agreement to the contrary notwithstanding, the Company shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The Company may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the organization in cases where the employee does not request a hearing. The employee whose
employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the Company and the organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this Agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this Agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the Company in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement shall arise or accrue during the period up to the expiration of the sixty or ninety calendar day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the Company predicated upon any action taken by the Company in applying or complying with this Agreement or upon an alleged violation, misapplication or non-compliance with any provision of this Agreement. If the final determination under Section 5 of this Agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the Company in favor of the organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement.

Section 8.

In the event that seniority and employment under the Rules and Working Conditions Agreement is terminated by the Company under the provisions of this Agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the Company against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this section shall not apply to any case in which the Company involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such Company acts in collusion with any employee; provided further, that the aforesaid liability shall not extend to the expense to the Company in defending suits by employees whose seniority and employment are terminated by the Company under the provisions of this Agreement.

Section 9.
An employee whose employment is terminated as a result of non-compliance with the provisions of this Agreement shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10.

A. The Company party to this Agreement shall periodically deduct from the wages of employees subject to this Agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such organization, and shall pay the amount so deducted to such officer of the organization as the organization shall designate; provided, however, that the requirements of this subsection A shall not be effective with respect to any individual employee until he shall have furnished the Company with a written assignment to the organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this Agreement, whichever occurs first.

B. The provisions of subsection A of this section are made effective by the Dues Deduction Agreement between the Parties, copy of which appears as Appendix B of the Working Agreement between the Parties.

Section 11.

The Company will provide each General Chairman with a list of employees who are hired or terminated, their home addresses, and Social Security numbers, if available, otherwise the employees’ identification numbers. This information will be limited to the employees covered by the collective bargaining agreement of the respective General Chairmen. The data will be supplied within thirty calendar days after the month in which the employee is hired or terminated. Where railroads cannot meet the thirty calendar day requirement, the matter will be worked out with the General Chairman.
APPENDIX "B"

UNION DUES DEDUCTION AGREEMENT

Section 1.

(a) The company shall, subject to the terms and conditions of this Agreement, periodically withhold and deduct sums for monthly membership dues and assessments (not including fines and penalties) uniformly required as a condition of retaining union membership, due the Organization from the wages due and payable to employees working under agreements between the Company and the Organization, who are members of the Organization, and who have so authorized the Company by signed authorizations.

(b) The Organization shall assume the full responsibility for the procurement and proper execution of said authorization forms, and for delivery of said forms to the Company no later than the first day of the second payroll period of the month from which the deductions are to be made. Likewise, revocation of authorization forms shall be delivered by the Organization to the Company not later than the first day of the second payroll period of the month in which termination of deductions is to take place.

Section 2.

(a) Deductions, as provided herein, shall be made by the Company in accordance with a master deduction list prepared by the Secretary-Treasurer of the Organization, listing each affected employee in employee number order. Such list, together with authorization forms, shall be furnished to the Company on or before the first day of the month proceeding the month in which deductions are to take effect under the provisions of this Agreement.

(b) Thereafter, any deletions or additions to the master deduction list, or any changes in the amounts to be deducted from the wages of employees shall be furnished to the Company not later than the first day of the second payroll period of the month in which such changes are to be made, such information to be accompanied by the proper authorization or revocation forms. Any changes shall be given to the Company not later than the first day of the second payroll period of the month on a copy of the list the Company will furnish the Secretary-Treasurer, which is referred to in Section 4 of this Agreement.

Section 3.

(a) Deductions will be made from the wages earned in the second payroll period of the month in which the aforementioned certified statements are furnished to the Company.

(b) The following payroll deductions will have priority over deductions in favor of the
Organization as covered by this Agreement: Federal, state and municipal taxes. Deductions required by law and court orders, including garnishments, liens and other wage assignments which the Company must respect.

Amounts due the Company

Group insurance premiums

(c) If the earnings of any employee, after all deductions having priority have been made, are insufficient to remit the full amount of deductions authorized by the employee, no deduction for Organization dues or assessments shall be made by the Company from the wages of the employee and the Company shall not be responsible for such collection. In cases where no deduction is made from the wages of an employee due to insufficient earnings, or for other reasons, the amounts not deducted shall not be added to the deduction lists nor will that deduction be made for the employee in any subsequent payroll period.

(d) Responsibility of the Company under this Agreement shall be limited to remitting to the Organization amounts actually deducted from the wages of employees pursuant to this Agreement. The Company shall not be responsible financially or otherwise for failure to make deductions or for making improper or inaccurate deductions. Any questions arising as to the correctness of the amounts deducted shall be handled between the employee involved and the General Chairman, and any complaints against the Company in connection therewith shall be handled with the Company by the General Chairman. Nothing herein shall be construed as obligating the Company to collect any dues or assessments from employees who leave its service, or who give up membership in the Organization for any reason, or whose wages shall be involved in any claim or litigation of any nature whatsoever.

Section 4.

The Company will remit to the Organization official designated by the General Chairman the amounts due the Organization deducted from the wages of members, making such remittance not later than the last day of the month following the month from which the deductions are made. The Company will, at the time of such remission, furnish the designated Organization officer a list of the employees, in employee number order, from whom deductions were made, showing the amount of such deductions.

Section 5.

Except for remitting to the Organization monies deducted from the wages of employees, as described in Section 4 hereof, the Organization shall indemnify, defend and save harmless the Company from and against any and all claims, demands, liability, loss or damage resulting from the entering into this Agreement or arising or growing out of any dispute or litigation from any deductions made by the Company from the wages of its employees for or on behalf of the Organization.
Section 6.

This Agreement is subject to the provisions of the applicable federal and state laws now in existence or enacted in the future.

(a) This Agreement is subject to immediate cancellation by written notice to the General Chairman of the Organization if the Company is required by federal law or the law of any state in which it operates, to change its pay date or payroll procedures in such a manner as to make dues deduction an unreasonable burden.

(b) This Agreement shall be automatically terminated as of the date official notification is received from the National Mediation Board of a change in the representation of employees not represented by the Organization signatory to this Agreement, or upon termination of the rules and working conditions agreement between the parties.

Section 7.

No part of this Agreement shall be used in any manner whatsoever, directly or indirectly, as a basis for a grievance (except as provided in Section 3(d)) or time claim by or on behalf of an employee.
ATTACHMENT "A"

WAGE ASSIGNMENT AUTHORIZATION

TO: Louisiana and Northwest Railroad

I hereby assign to the Brotherhood of Maintenance of Way Division of the International Brotherhood of Teamsters (BMWED) Organization that part of my wages necessary to pay my monthly union dues (not including fines and penalties) as reported to the LNW by the General Chairman of the BMWED, in monthly statements certified by him as provided for in the Dues Deduction Agreement entered into between LNW and its employees represented by the BMWED, and I hereby authorize LNW to deduct from my wages all such sums and remit them to the Secretary-Treasurer of the BMWED in accordance with the said Dues Deduction Agreement. This authorization may be revoked in writing by the undersigned at any time after the expiration of one year from the date of its execution, or upon the termination of said Dues Deduction Agreement, or upon the termination of the Rules and Working Conditions Agreement between the LNW and the BMWED, whichever occurs sooner.

Employee No.______________________________

Social Security No._________________________

Occupation_______________________________

(Please print) NAME

________________________________________

(Last) (First) (Middle Initial)

________________________________________

Street City State Zip Code

________________________________________

Lodge No. Location Starting Date

________________________________________

Date Signature
ATTACHMENT "B

WAGE ASSIGNMENT REVOCATION

Effective ____________, 20__, I hereby revoke the wage assignment authorization now in effect assigning to the Brotherhood of Maintenance of Way Division of the International Brotherhood of Teamsters (BMWEA) that part of my wages necessary to pay my monthly dues now being withheld pursuant to the Dues Deduction Agreement effective ____________ between Louisiana and Northwest Railroad and its employees represented by LNW and I hereby cancel the authorization now in effect authorizing the LNW to deduct such monthly union dues from my wages.

Employee No. ____________________________________________

Social Security No. ________________________________________

Occupation ______________________________________________

(Please Print) NAME

_________________________________  ______________________  ______________________

(Last)  (First)  (Middle Initial)

____________________________________________

Street  City  State  Zip Code

________________________________

Lodge No.  Location

________________________________

Date

________________________________

Signature
Side Letter No. 1

August 12, 2015

Mr. Dennis Albers
General Chairman
BMWED

Dear Mr. Albers:

This will confirm our understanding during negotiation of the Collective Bargaining Agreement signed today covering the employees of the Louisiana and Northwest Railroad represented by the BMWED.

During our negotiations, the Carrier expressed its desire to establish production gangs that would perform work on any of the properties of Patriot Rail Corporation and its desire to negotiate with the BMWED on how the employees of the Louisiana and Northwest Railroad could participate in such gangs.

The parties agreed that upon ten days advance written notice from the Carrier to the BMWED negotiations would commence with the Carrier’s right to pursue its notice within the peaceful procedures of the Railway Labor Act as amended.

Sincerely,

[Signature]

Vice President Transportation

I AGREE:

[Signature]

Dennis R. Albers

APPROVED:

[Signature]

Roger D. Sanchez