

AGREEMENT BETWEEN

KANSAS AND OKLAHOMA RAILROAD, L.L.C.

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS**

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PREAMBLE

The following Agreement between Kansas and Oklahoma Railroad, L.L.C. (hereinafter referred to as “KO” or “Company”) and the International Association of Machinists and Aerospace Workers (hereinafter referred to as “IAM” or “Organization”) recognizes the unusual concept of principles and conditions existing within the short line industry, which would not be applicable to the major trunk line railroads.

The Company, Organization and Team Members recognize the fundamental objective of Company, its management and the Team Members is to provide service to its customers in accordance with Company’s Foundation Principles as defined in Article 1. Accordingly, the parties agree that in interpreting and implementing this Agreement, paramount emphasis shall be placed on interpretations that enhance providing efficient service to the customers and the achievement of Company’s Foundation Principles.

The Company, Organization and the Team Members 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, the Team Members, and the Organization, and jointly with the customers and the public. All concerned will benefit by continued peace and harmonious relationships, and a good faith effort should be made to settle any differences through rational common-sense methods.

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 party’s signatory hereto, in compliance with the 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:

ARTICLE 1

FOUNDATION PRINCIPLES

- A. The parties to this Agreement agree that the following Foundation Principles will be used to guide all decisions, actions and deeds of the Team Members while performing assigned duties for the KO:

Team Members, while performing their assignments, will always strive to improve the KO's customer satisfaction with KO rail service by delivering accurate, timely, safe and value-added service. For avoidance of doubt, Team Members are responsible for delivering the right service, at the right time, in a safe and economical manner to the customer.

Team Members, while performing their assignments, will always strive to improve the profitability of the KO by delivering service that will assist in growing KO revenue from its customers, that will always be done in the most cost-efficient manner possible without sacrificing safety and that will always be done with a minimum amount of assets, including but not limited to, locomotives, railcars, vehicles and other equipment.

Team Members, while performing their assignments, will always strive to improve and grow long-term, value creating relationships with KO customers and the communities in which the KO operates.

- B. It is the individual responsibility of each Team Member to perform their assigned duties for the KO in accordance to the Foundation Principles, as defined in this Article. Should it be determined that a Team Member fails to perform their assigned duties in accordance with the Foundation Principles on a continual basis or in an egregious manner that Team Member's employment relationship may be terminated at KO's sole discretion. This section does not take away the Team Members rights under the Discipline Article.

ARTICLE 2

SCOPE

- A. The term "Team Member" as referred to herein shall include all Team Members represented by the International Association of Machinists and Aerospace Workers ("IAM"). The terms "Carrier," "Company," or "KO" shall mean the Kansas and Oklahoma Railroad, L.L.C. The term "Organization" shall mean the duly elected Officers or General Committee of the IAM. The term "designated KO Officer" means the officer of KO who has been designated, by KO, to handle such specific matters.
- B. All Team Members employed on or after the effective date of this Agreement must become certified and/or qualified, whichever is applicable, to perform service as a car repairman or locomotive repairman.

- C. Team Members shall perform tasks, including but not limited to, coupling and uncoupling cars and or locomotives; inspecting and repairing cars and or locomotives; throwing switches; locking and unlocking derails; opening and closing gates; coupling and uncoupling air hoses; relieving other Team Members; servicing and supplying locomotives; assisting in training new Team Members; operating KO vehicles and equipment; performing air brake tests; assisting other team members to clear main line or perform such other functions as may be necessary in an emergency situation; and other duties as assigned.
- D. It is understood that any of the above-named duties may be performed by others on a temporary basis in an emergency or in the event no Team Member is available, as necessary to achieve the KO's Foundation Principles. For purposes of this Agreement, Team Members are not available when all Team Members are assigned and working a full schedule per each assignment.

ARTICLE 3
REPRESENTATION RULE

- A. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of Team Members covered by this Agreement shall be vested in the regularly constituted General Committee of the Organization.
- B. The right of appeal in the case of complaints, grievances, including reinstatements and claims is restricted to the duly authorized official of the Organization, on behalf of the Team Member.
- C. Upon request, Team Members holding local union offices shall be permitted to lay off to perform IAM business, provided at the KO's sole discretion, said lay off to perform IAM business will not harm, degrade or reduce service to KO customers.

ARTICLE 4
PROBATIONARY PERIOD

- A. Applications for employment may be rejected, and Team Members terminated, within two hundred seventy (270) calendar days after a seniority date is established, without any right of appeal. An applicant who is not hired will be given written notification that his application has been rejected.

- B. Falsification by an individual of his application for employment is reason for dismissal of the Team Member whenever such falsification is discovered by KO, if such falsification would have resulted in the disapproval of the application initially.
- C. The parties agree that any Team Members who have been employed by KO for a period in excess of two hundred seventy (270) calendar days by the effective date of this Agreement will be deemed to have completed their probationary period.
- D. It is understood that all current Team Members who are certified and or qualified as of the Effective Date of this Agreement will be deemed certified and or qualified. The KO reserves the right to change the certifications and or qualifications based on the needs of its Customers or upon regulatory changes.

ARTICLE 5
SENIORITY AND SENIORITY ROSTERS

- A. All Team Members covered by this Agreement at the Effective Date will be placed on a single seniority roster, with the car mechanics and locomotive mechanics having separate rosters, in the order of the date on which they first performed service for KO. Where two or more Team Members began work on the same day, they shall be ranked for seniority purposes in the order of their date of birth.
- B. A Team Member who leaves the services of KO of his own accord shall forfeit his seniority rights and shall not be reinstated to his former position on the seniority roster. If he shall be re-employed by the Company, his seniority rights shall date from his first compensated service after re-employment.
- C. A revised seniority roster shall be prepared as of January 1st of each year and the revised roster shall be posted on bulletin boards in convenient places. All appeals from new or revised roster dates are limited to those changes made from the last roster and must be filed with the KO General Manager within five (5) calendar days from the date of posting of the seniority roster. If a Team Member is on a leave of absence on the date on which the roster is posted, he must file his appeal in the same manner as above within twenty-four (24) hours of the time he reports back to duty.
- D. A Team Member who is promoted to an official position with KO will voluntarily forfeit his seniority and rights under this Agreement.
- E. Team Members will keep the KO advised of their current address, telephone number and e-mail address, if applicable.

ARTICLE 6
RATES OF PAY

- A. The starting rate of pay for Team Members covered by this Agreement and hired after the Effective Date of this Agreement will be \$16.00 per hour.
- B. Team Members hired after the Effective Date of this Agreement at the rate under Paragraph A will receive the annual wage increases outlined in D below following their hire date.
- C. Team Members hired before the Effective Date of this Agreement, and currently paid at a rate less than \$16.00 per hour, will receive a bump to \$16.00 on the Effective Date of this Agreement, and will receive the increases outlined in D below thereafter.
- D. Team Members who are at or over a rate of \$16.00 per hour on the Effective Date will receive the following on the dates shown:

- Year 1: 3.5% Wage Increase
- Year 2: 3.5% Wage Increase
- Year 3: 3.5% Wage Increase
- Year 4: 3.5% Wage Increase

For clarification purposes, the Year 1 payment shall be made at the Effective date of this Agreement, and every payment thereafter shall be paid at the next anniversary of the Effective Date.

- E. All Team Members hired before the Effective Date will receive a signing bonus in the amount of \$1000.00 at the Effective Date.
- F. KO Carmen required by KO to obtain a Welding Certificate or Class A Commercial Driver's License will receive a \$1.00 per hour increase to their hourly wage.
- G. KO will pay Team Members' bonuses on the same basis as other Team Members not subject to the terms of this Agreement.
- H. Team Members required by KO to use their personal vehicles for KO work will be reimbursed at the KO reimbursement rate. Currently the rate is equivalent to the GSA mileage reimbursement rate.

ARTICLE 7
OVERTIME

- A. KO will pay Team Members represented by the IAM time-and-one-half of their regular rate of pay for all approved hours in excess of forty (40) hours per workweek from the Effective Date of this Agreement. Such overtime hours must be approved in advance by KO and be in accordance with KO's usual and customary practices for the overtime to be authorized.

ARTICLE 8
BULLETIN PROCEDURE

- A. New assignments or vacancies known to exist for longer than thirty (30) days will be bulletined as a permanent position. All such permanent vacancies will be advertised for a period of four (4) calendar days and awarded on the fifth (5th) calendar day by bulletins posted on bulletin boards where Team Members go on and off duty. Bulletins shall include the following information: assignment or job number, starting time, days off, days of assignment, location of assignment, closing time of bulletin, officer and location where bids are to be received, and date the assignment is to take effect.
- B. The senior, qualified and/or certified Team Member making application to a position under bulletin will be assigned. If no bids are received, the filing of the position shall be at the Company's discretion, and if it is to be filled, the Carrier may assign the junior, qualified and/or certified Team Member.
- C. A Team Member desiring to be considered for a posted position shall execute the appropriate job bid form and deliver it to the proper supervisor as identified on the job bulletin. All such forms shall then be reviewed, and the position filled as outlined in this Article. The practice of using email to submit bids is acknowledged.
- D. Assignment to a permanent position indicates the desire of the Team Member as to job preference within the limits of his seniority.
- E. Bids may be accepted from a Team Member while on vacation for jobs that are bulletined and closed during such absence. If a Team Member on vacation does not submit a bid during such absence, such a Team Member will be permitted to displace a junior Team Member from an assignment secured by bulletin that was posted and assigned during the absence of the senior Team Member, provided he does so within twenty-four (24) hours after reporting back for service.

- F. Temporary vacancies (vacancies of Thirty (30) days or less), caused by leave of absence, sickness, or vacation, will be either filled or blanked at the discretion of KO, or filled by others at the sole discretion of KO. All temporary assignments will cease on the return of the absent Team Member back to his assignment.

ARTICLE 9
WORK WEEK

- A. The regular work week shall consist of forty (40) hours based on consecutive regular workdays, but KO may set a work week schedule that will satisfy the needs of the customers, in KO's sole discretion.
- B. The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which an employee is assigned to work.
- C. Regular work days shall consist of eight (8) hours per day or of ten (10) hours per day.

ARTICLE 10
START TIME

- A. Assignments will be bulletined with an established starting time of between 6:00 a.m. and 8:00 a.m. KO may change the regular starting time of an assignment up to one (1) hour, with notification to the Team Members of at least twenty-four (24) hours before the new starting time or prior to the end of their last assignment, whichever is less.

ARTICLE 11
MEAL PERIOD

- A. Team Members will be permitted a thirty (30) minute lunch period, without pay, during the work day and it shall commence no earlier than the beginning of the 4th hour and to be completed no later than the beginning of the 6th hour after going on duty, except as may be otherwise arranged by mutual agreement between management and the effected Team Members. To the extent business allows,

Team Members will be allowed to continue taking the morning and afternoon breaks that they are permitted today.

ARTICLE 12
EXERCISE OF SENIORITY AND REPORTING

- A. Team Members displaced on account position abolished or displaced by senior Team Members, may displace Team Members their junior.
- B. All exercise of seniority must take place at least twenty-four (24) hours before the starting time of the position to which the seniority is exercised. The Company will notify the Team Member displaced as promptly as possible, and such Team Member will have up to twenty-four (24) hours to exercise seniority, and designate the junior Team Member he wishes to displace. If a Team Member is on vacation or leave of absence at the time he is displaced he shall have twenty-four (24) hours from the time he returns to work to exercise a displacement. If a Team Member fails to exercise displacement rights within such twenty-four (24) hour period, the Company may place the displaced Team Member on any vacant position it designates if there is a vacant position available. If no vacant position is available the Team Member will displace the junior Team Member, who may be furloughed.
- C. Team Members returning from vacation or leave of absence will return to their regular assignment, unless they have been displaced by a senior Team Member during their absence, in which case they will have an exercise in seniority, or they may exercise their seniority to any assignment that has been bulletined and awarded during their absence.

ARTICLE 13
REDUCTION IN FORCES

- A. When the workforce shall be reduced, Team Members shall be demoted or furloughed in reverse order of seniority.
- B. When forces are restored, Team Members shall be returned to service in seniority order. Recall letter shall be sent to the last known address by either U.S. Postal Service, Certified Mail, Return Receipt Requested or private carrier new day delivery, and via e-mail to the last known e-mail address, if any. A Team Member

recalled to service shall report to duty within seven (7) calendar days of receipt of the e-mail or letter, whichever is received first.

- C. Furloughed Team Members are required to keep the Company currently informed of their current phone number, address and where applicable, e-mail address. Failure to do so or failure to report for duty within the time designated in the preceding paragraph, will result in forfeiture of their seniority rights and the end of the employment relationship.

ARTICLE 14 **SUBCONTRACTING**

- A. KO may subcontract work which has historically been contracted, which is not economically feasible to perform at its own facilities, or which is beyond the capacity or capability of the KO to perform within the KO's time frame. The regular work of active Team Members will not be adversely affected by the performance of work by contractors if they are assigned and working a full schedule. Upon request a conference will be arranged to discuss KO subcontracting plans. No Team Member holding seniority on the seniority roster, as defined in this Agreement, shall be or remain furloughed except on a voluntary basis, due to the use of contractors on KO property or at KO facilities.
 - 1. For a subcontracting claim to be valid, a claimant must be able to establish that he was not assigned and working, or provided the opportunity to work, a full schedule as provided in Article 9 of this Agreement during the time the claimed subcontracting occurred.
 - 2. Any subcontracting claim filed will be handled on the property in accordance with Article 18 of this Agreement, but IAM agrees that it will not progress the dispute to arbitration unless the claim is valid under Article 14(A)(1) above.

ARTICLE 15
RULES EXAMS, CLASSROOM TRAINING AND ATTENDING
COMPANY BUSINESS

- A. Team Members who are required by KO to attend rules classes, rules examination/certification sessions, training programs and seminars, attend safety meetings, give deposition, or other company business will be compensated on the basis of actual time consumed for attendance.

ARTICLE 16
LEAVE OF ABSENCE

- A. Team Members may be granted a leave of absence of up to thirty (30) calendar days upon approval and at the discretion of KO, or as required by law. A Team Member granted such leave of absence shall sign a copy of the written authorization for KO's records.
- B. A Team Member who fails to report for duty at the expiration of a leave of absence or is absent without authority for two (2) or more consecutive working days shall be considered to have automatically terminated all seniority rights and ended the employment relationship.
- C. Team Members granted a leave of absence of thirty (30) or more days desiring to return from such leave before the expiration thereof shall be permitted to do so at the sole discretion of the KO and upon 48 hours advance notice to the KO with a copy to the Organization.
- D. Local designated representatives of the Organization shall be granted time off at the sole discretion of the KO, for official IAM business, including conferences, school, investigations, consideration and adjustment of grievances, negotiations, or to attend meetings of Team Members.
- E. The same privilege will be granted to Team Members appointed or elected to City, County, State and Federal offices.
- F. Any Team Member on leave of absence from KO may not work for another rail carrier, unless so approved by KO.

ARTICLE 17
HEARINGS AND DISCIPLINE

- A. Subject to the following, Team Members in service more than two hundred seventy (270) calendar days shall not be disciplined without just cause and without a fair and impartial investigation. The Team Member, Local Chairman and General Chairman of the Organization will be notified in writing of the charge against him within ten (10) calendar days from the notification of the Team Member of the charge against him, with the Team Member and his duly accredited Organization representative, if desired, in attendance. Each of the parties may have witnesses present at the investigation, at their own expense; provided, however, that if a witness who is called by the Team Member under charge provides material information not otherwise provided by other witnesses called by KO or the Team Member under charge, that witness will be compensated by KO in the same manner as if he had been called by KO. Team Members required by KO to attend investigations during regular assigned hours will be made whole for time lost. If discipline is assessed a written notice will be sent to the Team Member, and the representative who attended the hearing. A written, complete and accurate transcript of the proceedings shall be prepared and provided by KO, to the Organization and the Team Member within thirty (30) days of the investigation.
- B. A Team Member may waive his right to an investigation and subsequent hearing, provided that he accepts the level of discipline as determined by the KO, and agrees to such discipline in writing. If a Team Member elects to waive his right to investigation under this paragraph, the discipline assessed as a result of the waiver (if less than dismissal and for offenses less than those serious offenses, as discussed in paragraph C below) will be removed from his personnel record after two (2) years from the date on which it was assessed, provided that during that two (2) year period the Team Member is not involved in occurrences of a similar nature, as determined by KO.
- C. In cases which KO determines to be serious (such as, but not limited to, theft, altercation, Rule "G" violations, insubordination, major accidents, serious misconduct, etc.) and when required by application of federal regulations governing the conduct of railroad operations Team Members may be withheld from service. It is understood that any Team Member held out of service under this Article who, as a result of the investigation, is found to have not committed the offenses charged will be reinstated immediately and paid for time lost.

- D. If the Organization desires to appeal the discipline assessed as a result of an investigation, a written appeal will be made to the designated KO Officer (the "Appeal Officer") within thirty (30) calendar days from the latter of (i) the date the discipline was assessed or (ii) the transcript is received by the Organization. The Appeal Officer or his designated representative and the Organization representative who progresses the appeal, or his designee, will have a conference within thirty (30) calendar days after the Organization's appeal is received. The Appeal Officer shall issue his decision in writing to the Organization within thirty (30) calendar days of the date of the Conference. If the Appeal Officer determines that a Team Member has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the Team Members record. The Team Member shall be reinstated with his seniority rights unimpaired and shall be compensated for wage loss, if any, suffered by him, resulting from such discipline or suspension less any amount earned during the period of discipline. If the Appeal Officer denies the appeal, the Organization will have thirty (30) calendar days from the date of receipt of the Appeal Officer's decision to notify KO of its intent to progress the dispute to arbitration by a tribunal having jurisdiction to dispose of said discipline.
- E. Time limits as defined under this Agreement may be extended at any level by mutual consent of the parties.

ARTICLE 18
CLAIMS AND GRIEVANCES

- A. All claims or grievances must be presented in writing by or on behalf of the Team Member involved to the designated KO Officer within thirty (30) calendar days from the date of occurrence on which claim, or grievance is based. A claim must state the date and approximate time of the event on which the claim is based, the rule of the Agreement alleged to have been violated, and the name of the KO official notified a the time of the event. If the claim or grievance is disallowed, KO shall within thirty (30) calendar days from the date same is received, notify the Team Member or his designated representative in writing of the reasons for such disallowance.
- B. If a disallowed claim or grievance is to be appealed, such appeal shall be made to the Organization, or its designated representative, in writing to the highest KO officer designated to handle claims or grievances (the "Appeal Officer") within thirty (30) calendar days after notice of disallowance is received from the first KO

Officer. The Appeal Officer or his designated representative will have a conference with the party who filed the appeal to discuss the claim or grievance within thirty (30) calendar days after the appeal is received, or at such other time as mutually agreed. If the parties are unable to resolve the dispute in conference, the Appeal Officer or his designee shall, within thirty (30) calendar days after the date of the conference, notify the party who filed the appeal, in writing, of the reasons for such disallowance of the appeal. Upon failure to comply with these provisions by the Organization, the matter shall be considered closed. Upon failure to comply with these provisions by KO, the claim shall be paid. In any case, neither of the foregoing shall be considered a precedent or waiver of the contentions of the Organization or KO as to similar claims or grievances.

- C. If the claim is denied under Paragraph B, the decision is binding unless within thirty (30) calendar days of the date of the Appeal Officer's written decision, the Organization has notified KO of its intent to progress the dispute to arbitration by a tribunal having jurisdiction to dispose of such claims.
- D. Only claims that are appealed will serve as precedents. No resolution of any kind at the initial level will have any binding effect on either party.
- E. Time limits as defined under this Agreement may be extended as any level by mutual consent of the parties.

ARTICLE 19

GROUP HEALTH BENEFIT PLANS

- A. Team Members may participate in KO's Group Health Benefit Plan on the same basis as other KO hourly, non-supervisory team members not covered by this Agreement.

ARTICLE 20

UNION SHOP AGREEMENT

- A. All Team Members now or hereafter employed in the classifications covered by this Agreement shall, as a condition of continued employment in such work, within thirty (30) days after the successful completion of any applicable probationary period or the effective date of this Agreement, whichever is later, become a

member of and maintain membership in good standing (as defined herein) in the International Association of Machinists and Aerospace Workers. For purposes of this Article "membership in good standing in the Union" shall consist of a tender or payment by the Team Member of initiation fees and assessment uniformly required of other Team Members of like status, plus the payment of dues (as hereinabove described) for each calendar month not later than the last day of the following calendar month, as me be levied in accordance with procedures set forth in the Union's "Constitution of the Grand Lodge, District and Local Lodges, Councils and Conferences."

- B. The Carrier will, within ten (10) working days after receipt of notice from the Union, discharge any Team Member who is not in good standing in the Union as required by the above subparagraph, unless within the ten (10) day period evidence is presented to KO that the notice was issued in error, or Team Member has made alternative arrangements and renounced his membership in the Union.
- C. When new Team Members are hired into classifications covered by this Agreement, KO will furnish to the Union the names, home addresses and points of employment of such Team Member within thirty (30) days after they are hired.

ARTICLE 21

PAYROLL DEDUCTION

- A. Subject to the conditions set forth, the Company will deduct all sums for periodic union dues, initiation fees and assessments payable to the Organization by members of the Organization employed by the Company, from wages earned in any services, upon written and unrevoked authorization of a member, in the form agreed upon by the parties hereto, a copy of which is identified as Appendix "A" and made a part hereof.
- B. Payroll deduction authorization forms may be revoked by executing the form agreed upon by the parties, a copy of which is identified as "Appendix B" and made a part hereof.
- C. The Organization shall be responsible for reproduction, distribution and execution of the authorization and revocation forms by the members and for delivering such forms to the Company.

- D. Deductions shall be made by the Company in accordance with a deduction list furnished to the Company by the Organization of which the Team Member is a member. Such lists, together with authorization and revocation forms shall be furnished to the Company at least thirty (30) calendar days in advance of the deduction or termination of deduction is to become effective. The original lists furnished shall show the member's name and employee number and the amount to be deducted.
- E. Deductions, as provided herein, will be made monthly by the Company from wages due members in the second pay period in each calendar month, and the Company will subject to Paragraph (F) hereof, remit the Organization the total amount of such deduction on or before the first day of the month following the month in which deductions are made. With such remittance, the Company will furnish the Organization a statement showing members from whom deductions were made and the amount of the deductions.
- F. In the event earnings of a member are insufficient to permit the full amount of deduction, no deduction will be made.
- G. The Organization will indemnify KO against all liability (including reasonable attorneys' fees and expenses) related to its compliance with the provisions of this Article.

ARTICLE 22
SHOP CONDITIONS

- A. KO shall furnish good drinking water, and ice if necessary. KO and the Team Members shall keep pits, floors, lockers, toilets, washrooms and lunchrooms in good repair and in a clean, dry and sanitary condition.
- B. Shops, locker rooms, washrooms and lunchrooms shall be lighted and heated in the best manner possible, as determined by KO.

ARTICLE 23
CLOTHING, TOOLS & EQUIPMENT

- A. Team Members required to wear steel-toed boots will be allowed to participate in KO's boot reimbursement on the same basis as other hourly, non-supervisory team members not covered by this Agreement.
- B. The KO's present practice of supplying certain tools necessary to the performance of the Team Member's work will be continued during the life of this Agreement. Additionally, each Team Member will be required to complete a payroll deduction authorization form to cover damage or loss of KO tools that results from the Team Members intentional misconduct or gross negligence.

ARTICLE 24
SERVICE LETTERS

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

ARTICLE 25
BEREAVEMENT LEAVE

- A. Team Members will receive bereavement pay on the same basis as other KO hourly, non-supervisory team members not covered by this Agreement.

ARTICLE 26
JURY DUTY

- A. Team Members will receive jury duty leave and pay on the same basis as other KO hourly, non-supervisory team members not covered by this Agreement.

ARTICLE 27

HOLIDAYS

- A. Team Members will receive holiday pay on the same basis as other KO hourly, non-supervisory team members not covered by this Agreement.

ARTICLE 28

VACATIONS

- A. Team Members will receive vacation pay on the same basis as other KO hourly, non-supervisory team members not covered by this Agreement.

ARTICLE 29

MILITARY TRAINING

- A. Regular full-time Team Members who serve in the U.S. Armed Forces or National Guard may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws.

ARTICLE 30

PAYING OFF

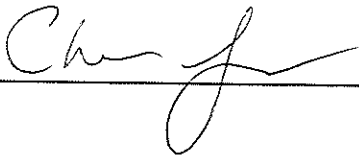
- A. All Team Members under this Agreement will be paid on a bi-weekly basis with the preference of KO being payment by electronic deposit to the Team Member's banking institution. If a regularly scheduled payday is a holiday, checks will be made available on the preceding workday.
- B. When there is a shortage of one day's pay or more in the pay of a Team Member, a voucher will be issued to cover the shortage the same day if requested by the Team Member.

ARTICLE 31

EFFECTIVE DATE AND MORATORIUM

- A. This Agreement signed this 24th day of June, 2020, will become effective on **January 1, 2020** and will remain in effect through **December 31, 2023**, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act. No party to this Agreement will serve any notice or proposal under the terms of the Railway Labor Act for the purpose of changing the provisions of the collective bargaining agreement prior to **October, 31, 2023**. All pending Section 6 Notices between the parties are hereby withdrawn. The foregoing will not prevent the parties from agreeing on items of mutual interest.

For the Company:



For the Union:

Kenneth Krause

APPENDIX "A"
WAGE DEDUCTION AUTHORIZATION

Employee's Name (Print):

Last	First	Middle Initial.
------	-------	-----------------

Employee's Home Address

Street and Number	City	State	Zip
-------------------	------	-------	-----

Social Security Number: _____

IAMAW Local: _____

I hereby assign to the International Association of Machinists and Aerospace Workers that part of my wages necessary to pay periodic dues, assessments, and insurance premiums (not including fines and penalties) as reported to the Carrier by the Organization in a monthly deduction list certified by the Organization as provided in the Deduction Agreement, entered into by the Carrier and the Union, and I authorize the Carrier to deduct such sums from my wages and pay it over to the Organization in accordance with the Deduction Agreement.

I understand in accordance with the Deduction Agreement this assignment for deduction of Union dues shall remain in full force and effect throughout the course of my employment.

Signature

Date

APPENDIX "B"
WAGE ASSIGNMENT REVOCATION

Location: Kansas and Oklahoma Railroad

Name: _____
 (Last) (First) Middle Initial

Home Address: _____
 (Street and Number) (City) (State) (Zip)

Social Security Number: _____

Department: _____

City: _____

Occupation: _____

Effective _____, I hereby revoke the Wage Assignment Authorization now in effect assigning to the International Association of Machinists and Aerospace Worker, that part of my wages necessary to pay my monthly dues assessments, and initiation fees (not including fines and penalties) now being withheld pursuant to the Union Dues Deduction Agreement between the Organization and the Kansas and Oklahoma Railroad, and I hereby cancel the Authorization now in effect authorizing the Kansas and Oklahoma Railroad to deduct such monthly dues, assessments and initiation fees from my wages.

Signature

Date

SIDE LETTER #1

This Side Letter will address the general wage increases addressed in Article 6 – Rates of Pay of this Agreement.

The Year 1 wage increase will be paid with an effective date of January 1, 2020. The Company will endeavor to make the retroactive payments applicable to the period dating from January 1, 2020 up to the date this Agreement is signed, within sixty (60) days from the date this Agreement is signed, subject to applicable taxes and deductions. This applies to all Team Members under this Agreement.