

Memorandum of Understanding

Between

BNSF Railway Company

And

United Transportation Union (GO-245)

The intent of this Memorandum of Understanding (MOU) is to codify eligibility for entrance into the both the fireman and ground service crafts, and continued utilization of such seniority. In conjunction with the Tripartite Agreement between BNSF/BLET/UTU of the same date, these MOUs will supersede and replace MOU between BNSF and UTU dated May 27, 2009.

1. If a promoted engineer possesses an engine service seniority date after October 31, 1985, and he/she can no longer hold any position or assignment in engine service as an engineer, fireman on a designated passenger position within the Zone, as defined in Attachment A of UTU Implementing Agreement No. 4, effective June 1, 1975, between BNI and UTU-E, pursuant to UTU 1985 National Agreement and UTU/BNSF Letter of Understanding dated September 3, 1991 he/she is eligible to exercise his/her ground service seniority.

In the application of the above paragraph, it is understood that engineers possessing engine service seniority date after October 31, 1985 will be required to exhaust their engineer's seniority within their zone. Consistent with the long standing agreement language and practice requiring junior demoted engineers to protect force assignment to outside locations within the zone, post October 31, 1985 engineers working at outside locations will be required to exhaust their engine service seniority at both the outside location(s) and at the zone's source of supply before being eligible to exercise their ground seniority.

Engineers working at the zone's source of supply will also be required to exhaust engine service seniority outside of the zone's source of supply location to outside locations within their zone before being eligible to exercise their ground seniority with the following exception. If a junior engineer is force assigned to the involved outside location, engineers working at the zone's source of supply will not be required to displace the force assigned engineer before being eligible to exercise their ground seniority.

Note: Attached to this Understanding is an updated profile of the applicable zones reflecting all modifications or realignments to date. It is further understood that this attachment is for reference purposes only and is not part of this understanding. The applicable zoning and aforementioned agreements remain under the sole jurisdiction of the UTU.

2. Engineers who have exhausted their engineer seniority and are eligible to exercise their ground seniority pursuant to Article 1 herein, must exercise such displacement as follows:

A. The individual must displace the junior ground service employee on the extra board or the junior conductor in the respective unassigned pool.

If the individual does not have sufficient seniority to hold any position in unassigned road service, he/she may displace to a position in assigned road service.

If the individual does not have sufficient seniority to hold any position in unassigned or assigned road service, he/she may displace to yard service.

If the individual does not have sufficient seniority to hold any ground service position within the Zone, he/she will be afforded full displacement rights under Rule 79.

Note: All displacement privileges granted herein are limited to the Zone in which the individual last performed service as an engineer (seniority permitting), and are subject to the exceptions of Article 1. In the application of Article 2 of this Understanding, it is understood that the displacement limitations noted in Article 2 are only applicable to the initial displacement and return to ground service. Subsequent movement and displacement will be governed by existing agreements.

B. Nothing in this Article can be construed to nullify or modify a ground service employee's obligations under either the road/yard tie down provisions of Article 7 of Implementing Agreement No. 7 effective September 1, 1975, or the craft tie down provisions of Memorandum of Agreement between UTU and BNI, file no. BN 9/14/79. Employees possessing both engine and ground service seniority who voluntarily exercise their ground service seniority thereby subject themselves to the above tie down provisions will remain subject to the tie down even if they are assigned to the engine service quota in the interim. In such cases, the tie down(s) will continue to be applicable and run concurrent with whichever craft assigned.

Example 1: On April 1, an employee makes a voluntary exercise of ground service seniority from road to yard service pursuant to the provisions of Implementing Agreement No. 7. On April 8, the employee is incorporated into the engine service quota and subsequently again eligible to exercise ground service seniority on April 15. This employee is still obligated to remain in yard service through April 28 and his/her ground service displacement is limited to yard service (seniority permitting).

Example 2: On April 1, an employee makes a voluntary exercise of ground service seniority from the conductor craft to the brakeman craft pursuant to MOA BN 9/14/79. On April 8, the employee is incorporated into the engine service quota and subsequently again eligible to exercise ground service seniority on April 15. This employee is still obligated to remain in the brakeman craft through

April 28 and his/her displacement is limited to the brakeman craft (seniority permitting).

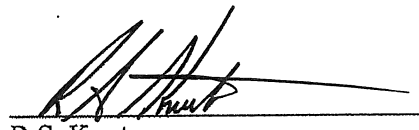
Example 3: On April 1, an employee makes a voluntary exercise of ground service seniority from road to yard service pursuant to the provisions of Implementing Agreement No. 7. On April 8, the employee is incorporated into the engine service quota and subsequently again eligible to exercise ground service seniority on April 30. This employee is no longer obligated to remain in yard service and is subject to the displacement privileges outlined in Article 1A.

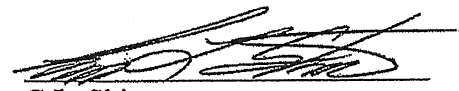
This understanding is signed on 29th day of October, 2009 at Ft. Worth, TX to be effective immediately.


For BNSF Railway Company:

For United Transportation Union:


M.H. Siegele, Jr.
AVP Labor Relations


R.S. Knutson
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Side Letter 1

The parties agree that all employees possessing both engine and ground service seniority who exercised their ground service seniority subsequent to January 1, 2007, outside the provisions of Article 1 of this MOU, will not be eligible to remain in any ground service craft.

The UTU has previously furnished BNSF and BLET with a list of names of engineers who have exercised their ground service seniority outside the scope of this MOU. The parties have since met and concurred on the final list of employees working in ground service who will be required to be removed from ground service. In identifying these employees, consideration was given to whether or not the employee would have otherwise been eligible to properly exercise their ground seniority under the provisions of this Understanding. Such employees will be allowed to remain in ground service subject to existing agreements/understandings.

Upon implementation of this Understanding, BNSF will expeditiously execute this handling while maintaining adequate manpower at the respective terminals. However, all identified employees will be removed from ground service no later than November 9, 2009.

Sincerely,



Gene L. Shire
General Director
Labor Relations

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Side Letter 2

The following understanding was reached as part of our Understanding codifying the application of the various Ebb and Flow agreements.

If an engineer assigned to the engine service quota is decertified under existing federal regulations and is not otherwise restricted from service, he/she is eligible to exercise his/her ground service seniority. Such decertified engineers will be eligible to remain in the ground service craft only through the expiration of the decertification time period defined in the federal regulations unless he/she is unable to hold the engineer's quota in the zone where decertified.

It is also understood that the previous understandings, BN 9/1/82 OPS 35-82 (UTU), BN 4/4/82 OPS 15-82 (BLET) and associated Letters of Understanding dated August 15, 1984 allowing force assigned engineers to be released when junior demoted engineers become available in the zone they are forced to remain in effect.

Sincerely,

A handwritten signature in black ink, appearing to be "Gene L. Shire", written over a horizontal line.

**UNITED TRANSPORTATION UNION (GO-245)
BNSF**

ATTACHMENT A

**UTU-E ZONES
(as amended)**

Chicago-Aurora Zone
Source of Supply: Chicago-Aurora

Embraces all yard service at Chicago, Cicero, Eola, Aurora, Mendota, Rockford Rock Falls, Sterling, Ottawa and Streator, and all road service headquartered out of Chicago, Cicero, Aurora-Eola, Mendota, Ottawa, LaSalle, Oregon, Rockford, and Rochelle, for which Chicago-Aurora will be the source of supply on territory between Chicago and Savanna, including branches to West Chicago, west Batavia, Rockford and Mt. Morris; Aurora and Galesburg, including branches Earlville-Denrock, Denrock-Rock Island, Mendota-Savanna via Denrock, Earlville-Baker, and Aurora-Zearing via Streator, Former Chicago and Aurora Seniority Districts and portion of former Galesburg Seniority Districts.

LaCrosse Zone
Source of Supply: LaCrosse

Embraces all yard service at North LaCrosse-Lacrosse and Twin Cities (per Article II, Implementing Agreement No. 1), and all road service headquartered out of North LaCrosse and Winona, for which North LaCrosse will be the source of supply, on territory between Savanna and Twin Cities, including branches to Winona and Dubuque. Former LaCrosse Seniority District.

Galesburg Zone No. 1
Source of Supply: Galesburg

Embraces all yard service at Galesburg, Kewanee, Davenport-Rock Island-Moline-Barstow, Clinton and Peoria, and all road service headquartered out of Galesburg, Yates City, Sterling, Canton, and Macomb, for which Galesburg will be the source of supply on territory between Galesburg and Chicago, including branches to Baker and Streator, Galesburg and Savanna, including branch to Alexis, Joy, Woodhull, Clinton, Garden Plain and Sterling; Galesburg to Hannibal via West Quincy; and Galesburg and Peoria, including branch lines Elmwood-Buda, Yates City-Ipava, Lewistown-Fairview, Lewistown-Liverpool. Portions of former Galesburg and Aurora Seniority Districts.

Galesburg Zone No. 2

Source of Supply: Galesburg

Embraces all yard service at Ottumwa, Chariton, Des Moines, Burlington-West Burlington and Fort Madison, and all road service headquartered out of Galesburg and Monmouth, for which Galesburg will be the source of supply on territory between Creston and Galesburg, including branch Albia-Des Moines, and Burlington-Fort Madison. Former East Ottumwa, West Ottumwa and East Hannibal Seniority Districts.

Beardstown Zone

Source of Supply: Beardstown

Embraces all yard service at Beardstown and all road service headquartered out of Beardstown for which Beardstown will be the source of supply on territory between Beardstown and Galesburg, including branch lines Bushnell-Roseville, Ipava to Rushville, and Vermont-Astoria; Beardstown and East St. Louis and North St. Louis; and Beardstown and Centralia. Former Beardstown Seniority District.

Centralia Zone

Source of Supply: Centralia

Embraces all yard service at Centralia and all road service headquartered out of Centralia, Herrin-Herrin Jct. and Waltonville, for which Centralia will be the source of supply on territory between Centralia and Beardstown; Centralia and Paducah with branch lines to Herrin, West Frankfort and Zeigler; and Shattuc and East St. Louis and North St. Louis via West Alton. Former Beardstown and portion former East Hannibal Seniority Districts.

Hannibal Zone

Source of Supply: West Quincy

Embraces all yard service at Hannibal, West Quincy-Quincy and Keokuk and all road service headquartered out of Hannibal, West Quincy, Keokuk and Centerville, for which Hannibal will be the source of supply on territory between Burlington and North St. Louis and East St. Louis via West Alton, including branch lines Quincy-Hulls, Quincy-St. Louis via West Alton, including branch lines Quincy-Hulls, Quincy-Kirksville, Keokuk-Centerville, and Old Monroe-Mexico; and Hannibal and Brookfield. Former East Hannibal and portion of West Hannibal and Galesburg Seniority Districts.

Brookfield Zone

Source of Supply: Brookfield

Embraces all yard service at Brookfield and all road service headquartered out of Brookfield, for which Brookfield will be the source or supply on territory between Brookfield and West Quincy and Hannibal; Brookfield and St. Joseph, including branch line Laclede-Unionville; and Brookfield and Kansas City, including branch lines Cotter-Carrolton; and Kansas City-Mexico. Former West Hannibal Seniority District.

Creston Zone

Source of Supply: Creston

Embraces all yard service at Creston and Red Oak and all road service headquartered out of Creston, for which Creston will be the source of supply on territory between Creston and Lincoln via Council Bluffs, Omaha or Louisville, including branch lines Creston-Cumberland, Creston-Barnard, Merle Jct.-Clearfield, Villisca-Clarinda, Red Oak-Farragut, Red Oak-Griswold, Hastings-Henderson, Hastings-Randolph and Pappio-South Omaha. Former Creston and portion of former Omaha Seniority Districts.

Kansas City Zone No. 1

Source of Supply: Kansas City

Embraces all yard service at Kansas City-North Kansas City and road service on the North Kansas City-Kearney road service assignment for which Kansas City Zone No. 1 will be the source of supply. This includes former Kansas City Terminal and portion of West Hannibal Seniority District.

Note: KC Yard is still in zone to be exhausted when working in applicable road territory.

Kansas City Zone No. 2

Source of Supply: Kansas City

Embraces all yard service at St Joseph and road service headquartered out of Kansas City-North Kansas City, Leavenworth, Atchinson and St. Joseph for which Kansas City Zone No. 2 will be the source of supply on territory between Kansas City and Omaha via Council Bluffs or Oreopolis; Kansas City and Lincoln via Table Rock; with branch lines Armour-Atchison, East Leavenworth-Leavenworth, Bigelow-Skidmore, Corning-Westboro and Payne-Nebraska City. This includes former St. Joseph and portions of former Omaha, Creston and Wymore Seniority Districts.

Omaha Zone

Source of Supply: Omaha

Embraces all yard service at Omaha, South Omaha, Council Bluffs, and Pacific Junction, and all road service headquartered out of Omaha-Gibson, South Omaha and Pacific Jct., for which Omaha will be the source of supply on territory between Council Bluffs and Lincoln via Omaha or Pacific Jct.; Pacific Jct. and Kansas City, including branch lines South Omaha-Pappio, Omaha-Oreopolis, Ashland-Prague and Payne-Nebraska City. Portions of former Omaha, Creston and St Joseph Seniority Districts and Council Bluffs yard.

Lincoln Zone

Source of Supply: Lincoln

Embraces all yard service at Lincoln and Havelock and all road service headquartered out of Lincoln, Crete, Fairmont, Fremont, Nebraska City and Ashland; for which Lincoln will be the source of supply on territory between Lincoln and Creston via Omaha, Council Bluffs or Louisville, including branch lines, South Omaha-Pappio, and Omaha-Oreopolis; Lincoln and Sioux City, including branch line Ashland-Prague; Lincoln and Payne, including branch line Nebraska City-Shubert; Lincoln and St. Joseph via Table Rock, including branch line Tecumseh-Auburn; Lincoln and Wymore; Lincoln and Ravenna, including branch lines Seward-Columbus, York-Benedict, York-McCool Jct., Aurora-Burwell and Palmer-Sargent; Lincoln and Hastings, including branch lines Hastings-Aurora, Sutton-Lushton, Sutton-Clay Center, Fairmont-Strang-Hebron, and Fairmont-Tobias-Daykin. Former Lincoln and portions of former Omaha, Creston, Wymore and St. Joseph Seniority District.

Hastings Zone

Source of Supply: Hastings

Embraces all yard service at Hastings and all road service headquartered out of Hastings, Aurora, Grand Island and Superior, for which Hastings will be the source of supply, on territory between Hastings and Burwell; Palmer and Sargent; Hastings and Lincoln, including branch lines Sutton-Clay Center, Sutton-Lushton, Fairmont-Strang-Hebron, and Fairmont-Daykin; Hastings and Red Cloud, including branch lines Blue Hill to Hildreth and Ayr Jct. Huntley; Hastings and McCook, including branch line Kenesaw-Kearney. Portions of former Lincoln, McCook and Wymore Seniority Districts.

McCook Zone

Source of Supply: McCook

Embraces all yard service at McCook and road service headquartered out of McCook, Oxford and Cedar Bluffs, for which McCook will be the source of supply on territory between McCook and Hastings; Oxford Jct. and Hastings via Lester; Orleans and Oberlin; Orleans and St. Francis; McCook and Denver, including branch line Culbertson-Imperial. Former McCook Seniority District.

Denver Zone
Source of Supply: Denver

Embraces all yard service at Denver and includes road service headquartered out of Denver and Brush, for which Denver will be the source of supply on territory between Denver and McCook, including branch lines Culbertson-Imperial; Denver and Lyons; and Brush and Sterling. Former McCook and portion of former Sterling Seniority Districts.

Sterling Zone
Source of Supply: Sterling

Embraces all yard service at Sterling and all road service headquartered out of Sterling, Curtis and Holdrege, for which Sterling will be the source of supply on territory between Sterling and Denver; Sterling Hereford, Sterling and Holdrege; Sterling and Alliance; and Sterling and Guernsey, including beet spurs. Former Sterling and portion of former McCook Seniority Districts.

Alliance Zone
Source of Supply: Alliance

Embraces all yard service at Alliance and all road service headquartered out of Alliance, Ravenna, Bayard and Scottsbluff, for which Alliance will be the source of supply on territory between Alliance and Ravenna; Alliance and Sterling; Northport and Guernsey, including beet spurs; Alliance and Edgemont. Portions of former Alliance and Sterling Seniority Districts.

Edgemont Zone
Source of Supply: Edgemont

Embraces all yard service at Edgemont and all road service headquartered out of Edgemont, Newcastle, Hill City, and Deadwood, for which Edgemont will be the source of supply on territory between Edgemont and Alliance; Edgemont and Gillette; Edgemont and Deadwood, including branch lines; Minnekahta-Hot Springs, Hill City-Keystone, Englewood-Reno, Kirk-Lead. Also includes coal mines on the Sixth Subdivision to Bill and coal mines on the Tenth Subdivision.

Gillette Zone
Source of Supply: Gillette

Embraces all road-yard service at Gillette, and all road service for which Gillette is the sourced of supply on territory between Gillette and Guernsey; also assignments headquartered out of Gillette on lines to Edgemont and Sheridan; all turnaround service out of Gillette; includes coal mines on the Tenth Subdivision and the Sixth Subdivision.

Sheridan Zone

Source of Supply: Sheridan

Embraces all yard service at Sheridan and all road service headquartered out of Sheridan and Hardin, for which Sheridan will be the source of supply on territory between Sheridan and Gillette; Sheridan and Laurel; and all branch lines. Former Sheridan Seniority District.

Casper Zone

Source of Supply: Casper

Embraces all yard service at Casper and Guernsey, for which Casper will be the source of supply, and all road service headquartered out of Casper on territory between Casper and Guernsey; and Casper and Greybull. Portions of former Casper and Sterling Seniority Districts.

Greybull Zone

Source of Supply: Greybull

Embraces all yard service at Greybull and all road service headquartered out of Greybull and Cody, for which Greybull will be the source of supply on territory between Greybull and Casper; Greybull and Billings, including branch line Frannie-Cody. Portion of former Casper Seniority District.