

MEMORANDUM OF AGREEMENT
BETWEEN THE
DELAWARE AND HUDSON RAILWAY COMPANY, INC.
AND THE
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION
(BMWED)

Article I PAY ADJUSTMENTS

- (a) On the effective date of this Agreement, the rates of pay for the positions covered by the BMWED Agreement will be adjusted as delineated in Attachment A.
- (b) Effective March 1, 2010, a Special Rate Adjustment will be applied to the following rates of pay:

FOREMAN	\$0.50/hour
B&B MECH/TRUCK DRIVER	\$0.15/hour

Article II COST OF LIVING ALLOWANCE

Appendix K to the March 21, 2007, D&H/BMWED Agreement will be eliminated concurrent with the effective date of this Agreement.

Article III HEALTH AND WELFARE

- (a) The parties agree to apply the Health and Welfare benefits as negotiated between the BMWED and the National Carrier's Conference Committee.
- (b) The benefits in the NCCC/BMWED July 1, 2007 Agreement ("National Agreement") will be made available to D&H employees as soon as practicable. It is understood that this change will not be implemented until United Healthcare has conducted an open enrollment for D&H BMWED represented employees on this plan design.

- (c) Employees working under this Agreement will be required to pay 90.4% of the National Healthcare Plan employee cost sharing contribution. The calculation of this percentage (%) is based on the relative value of the weighted average of the National rates of pay for the trackmen (laborers) and foreman as compared to the weighted average of the D&H rates of pay for the trackman (laborers) and foreman.

An employee must make a cost-sharing contribution for each month that his employer 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.

A D&H employee cost sharing contribution of \$180.80 per employee per month will be effective as of the first month that D&H employees are covered by the plan design referenced in (b) above.

The D&H cost sharing contribution for employees covered by this Agreement will be re-calculated each time a rate increase occurs under either the NCCC/BMWED or D&H/BMWED agreements. The recalculation will be done using the respective weighted average of trackman (laborer) and foreman rates of pay then in effect.

Note: No recalculation will be required as a result of the March 1, 2010 D&H foreman rate adjustment in Article 1 (b) of this agreement.

- (d) Until the weekly cost sharing deduction process is implemented, this cost sharing contribution will be deducted from the employee's paycheck in a pay period that does not include dues deduction. Within ninety (90) days of the effective date of this Agreement, the carrier will make this deduction on a weekly basis. The amount deducted weekly will be the monthly cost sharing contribution multiplied by twelve and divided by the number of weekly pay dates in that calendar year.
- (e) This employee cost sharing contribution will be deducted on a pre-tax basis as provided in the National Agreement.

Article IV MODIFY RULE 21.3 AWAY FROM HOME EXPENSES

The reasonable meal expense maximum in this rule will be modified as follows on the first day of the month following the effective date of this agreement.

Breakfast	\$ 5.00/day
Lunch	\$ 8.00/day
Supper	\$13.00/day

Article V ELIMINATE RULE 3.19 FAILURE TO QUALIFY

Rule 3.19 will be eliminated and replaced by the modifications to Rule 4.18 below.

Article VI Amend Rule 4.18 SENIORITY ROSTERS

- (a) If an employee has been on a position for thirty (30) working days and is displaced or the position is abolished, the supervisor, in consultation with the General Chairman, will determine if the employee is qualified. If so, he will acquire a seniority dating as of the first date the position was worked.

- (b) A new employee, hiring on as a trackman, would not be subject to the 30 day requirements set forth in this part.

Article VII AMEND RULE 22 AUTOMOBILE EXPENSES

Reimbursement for authorized use of personal automobile will be adjusted to \$.30/mile effective April 1, 2010.

Article VIII AMEND RULE 4.13 SENIORITY TERRITORIES

The seniority territories are identified as follows:

Territory # 1

Sunbury, Pennsylvania to MP 620.3 not including the Binghamton Container Switch.

Territory # 2

Binghamton Container Switch to Schenectady interlocking (CPF480), including yards at Binghamton, Oneonta and Schenectady.

Territory # 3

Albany to Mechanicville, West to Glenville, North to Whitehall, to MP 87.3. Also, Saratoga Springs to Fort Edward, to Glens Falls to Lake George Branch

Territory # 4

MP 87.3 to Rouses Point, including branch line from South Jct. to Fredenburg Falls.

Article X NEW RULE 20.8 SYSTEM EQUIPMENT OPERATORS SPECIALISTS

The following provision will be added to Rule 20 and entitled "Critical machines on Production Crews":

The following positions will be considered System Equipment Operator Specialist (SEOS) positions and will be paid at the following SEOS rates as of the effective date of this Agreement, which is not subject to step rates.

Category A Pay Rate \$ 21.68

Self raising and self-lining production tampers
Burro Cranes / Pike Cranes
Locomotive Cranes (such as American / Ohio)
Lucky Tie Unloading Crane
Undercutter
Tractor Trailer Driver

Category B Pay Rate \$ 21.35

Pettibone/360
Spiker
Tie Inserter
Cribber/adzer

The senior qualified employee making application to operate one of the machines listed above who has previously operated that machine and who can meet or exceed performance standards for that machine will be awarded the position. If there are no qualified bidders who meet the above criteria, the Carrier will train the senior bidder who meets minimum qualifications.

In each work season, the required performance standard for each SEOS machine will be established and placed on the bulletin. To accomplish this, the carrier will meet with the BMWED General Chairman to discuss the work planned for the production season, the SEOS machines to be operated, and the metrics or standards that the crew and machines operators will be expected to meet. This is intended to allow BMWED input into the standards, however, the final decision will be made by the carrier.

Article XI NEW RULE 19.10 PRODUCTION GANG WORK

In the first quarter of each calendar year, the carrier will meet with the BMWED General Chairman and/or his designees for the purpose of sharing information on the production work planned for the D&H in that calendar year. This discussion will

also include a review of how the production work schedule may impact the starting times and workweeks of Basic Maintenance forces throughout the D&H.

In addition, D&H will share with the BMWED General Chairman the crews that are contemplated for the calendar year under Side Letter No. 4.

It is understood that the information shared in this discussion is a general overview and may change as the work year progresses.

Article XII TRAINING COMMITMENT

1. When the Carrier determines a need for additional qualified candidates for specific positions or roster classifications, it may establish a training program which will be bulletined and made available to employees in accordance with Rule 3. "Roll out" training or other training conducted at the start of each production season is not "training" contemplated by this Agreement.
2. Successful applicants will be released from their regularly assigned positions to attend the training session(s). Vacancies created by the application of this rule may be filled at the discretion of the carrier.
3. Employees assigned to training under this agreement will be paid at the rate of their regularly assigned position for a minimum of eight hours per day. The overtime rate under Rule 11 is applicable if training exceeds eight (8) hours per day.

A furloughed employee who is offered training under this rule will not receive pay for attending training. Such employees will instead receive a stipend that is equivalent to the daily Subsistence Allowance under Appendix S effective January 1, 2001.

4. (a) When the training location is located more than fifty (50) highway miles from a point on the lines of railroad owned and operated by the D&H, the Carrier will either directly pay or may choose to reimburse the employee for reasonable and actual travel and living expenses.
(b) When training is conducted at a point fifty (50) or fewer highway miles or on a point on the lines of railroad owned and operated by the D&H, employees will be allowed expenses in accordance with Rules 21 and 22.
5. For a period of three (3) years following the date of completion of training, employees who successfully complete training will be expected to bid on future openings of a specific position or positions for which the training is applicable.
6. Employees who have successfully completed training will be given preference over other employees who do not have seniority rights in the classification in which the position is advertised. In the event that none of the trained

employees bids on subsequent vacancies, and no qualified employees bid on such vacancies, the junior employee who received training under this Agreement will be assigned to the position.

7. Employees who have not successfully completed the required training may reapply for training only after a 12 month waiting period. Employees who reapply for training and do not successfully complete the training for the second time may be considered for a third training opportunity, provided the appropriate ES Department Manager and the General Chairman agree.

Article XIII NEW RULE 9.8 WINTER CREWS

Prior to the establishment of winter crews the carrier will provide the BMWED General Chairman with the location, consist and expected work schedules of the crews.

Basic maintenance utility winter crews will be covered by Rule 12.7 with the understanding that these crews may be scheduled to work Saturday and Sunday as long as scheduled rest days are consecutive.

A minimum of eight (8) hours rest between work shifts will be provided in accordance with Rule 12.5.

These crews will be limited to three (3) hours overtime following their tour of duty before regular section forces are offered the opportunity to work outside of regular assigned hours/hours of duty.

Article XIV EFFECT

Existing schedule rules, agreements and practices, which are in conflict with this Agreement are modified or superseded as delineated herein.

Article XV MORATORIUM


This Agreement will remain in effect through December 31, 2009, and, thereafter, until changed or modified in accordance with Side Letter No. 3 appended hereto.

It is understood that this Agreement resolves BMWED's November 1, 2004, Section 6 Notice as well as D&H's March 24, 2005 Section 6 Notice.


This Article shall not bar nor preclude BMWED and D&H from discussing or reaching agreements on any subject of mutual interest.

Signed this ____ day of _____

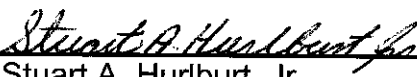
For the Delaware and Hudson Railway Company:

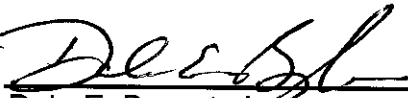

Cathryn S. Frankenberg
AVP Human Resources & Labor Relations – US

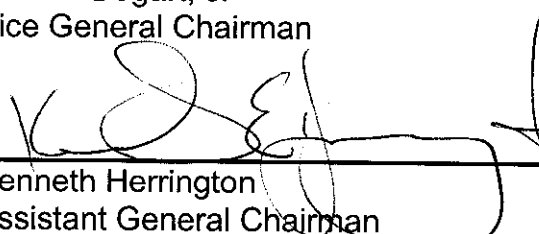

Anthony G. Stillittano
Manager Labor Relations



Andre Lapalme
Service Area Manager - Engineering

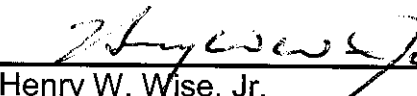
For the Brotherhood of Maintenance of Way Employees Division:


Stuart A. Hurlburt, Jr.
General Chairman


Dale E. Bogart, Jr.
Vice General Chairman


Kenneth Herrington
Assistant General Chairman


William Barcomb, Sr.
Executive Board Member


Henry W. Wise, Jr.
Vice President

Effective Date: 3-15-2010

Side Letter No. 1

February 1, 2010

Mr. Stuart A. Hurlburt, Jr.
General Chairman, BMWED
135 Mick Lane
Oneonta, NY 13820-4316

Dear Mr. Hurlburt:

A lump sum signing bonus will be paid within sixty (60) days of the effective date of this Agreement as follows:

1. \$ 2,000 will be paid to employees who have 24 months or more of service with D&H and who worked under the D&H/BMWED Agreement an amount of time equal to or greater than the D&H/BMWED 2009 Straight Time Equivalent Hours (STEH);
2. \$ 1,000 will be paid to employees who have 24 months or more of service with D&H and who worked under the D&H/BMWED Agreement an amount of time less than the D&H/BMWED 2009 Straight Time Equivalent Hours (STEH);
3. \$ 1,000 will be paid to employees who have less than 24 months of service with D&H and who have worked under the D&H/BMWED Agreement an amount of time equal to or greater than the 2009 D&H/BMWED Straight Time Equivalent Hours (STEH);

4. \$ 500 will be paid to employees who have less than 24 months of service with D&H and who have worked under the D&H/BMWED Agreement an amount of time equal to or greater than the 2009 D&H/BMWED Straight Time Equivalent Hours (STEH).

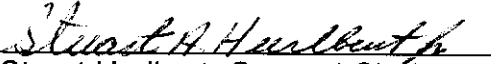
Please indicate your concurrence by signing in the space below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

I concur:


Stuart Hurlburt, General Chairman

Dated: 3-15-2010

Side Letter No. 2

February 1, 2010

Mr. Stuart A, Hurlburt, Jr.
General Chairman, BMWED
135 Mick Lane
Oneonta, NY 13820-4316

This will confirm our commitment to provide former D&H BMWED represented employees who retired from D&H between January 1, 2005 and December 31, 2009, with a \$ 500 lump sum payment. This payment will be made within sixty(60) days of the effective date of the Agreement.

Please indicate your concurrence by signing in the space below.

Sincerely,


Cathryn S. Frankenberg
AVP HR & LR – US

I concur:


Stuart Hurlburt
General Chairman

Dated: 3-15-2010

Side Letter No. 3

February 1, 2010

Mr. Stuart A. Hurlburt, Jr.
General Chairman, BMWED
135 Mick Lane
Oneonta, NY 13820-4316

The parties hereby commit that the terms of the settlement on or after November 1, 2009, between the National Carrier's Conference Committee (NCCC) and the BMWED that resolves the Section 6 notices exchanged between BMWED and the rail carriers represented by the NCCC pursuant to Article VI of the July 1, 2007 BMWED/NCCC agreement will be incorporated into and become part of D&H/BMWED Agreement.

Within 30 days of the effective date of the National settlement, the parties will meet and work out the details of implementation.

Neither party to this Agreement shall serve or progress any notice or proposal prior to the expiration of the moratorium in the aforementioned NCCC/BMWED Agreement.

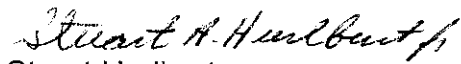
Please indicate your concurrence by signing in the space below.

Sincerely,



Cathryn S. Frankenberg
AVP HR & LR – US

I concur:



Stuart Hurlburt
General Chairman

Dated: 3-15-2010

Side Letter No. 4

February 1, 2010

Mr. Stuart A. Hurlburt, Jr.
General Chairman, BMWED
135 Mick Lane
Oneonta, NY 13820-4316

Dear Mr. Hurlburt:

The company may establish subdivision and/or cross sub-division Utility crews to perform basic track and/or Bridge and Building projects . These crews will operate under "Production Rules" .

The term "Production Rules" as used in this understanding includes:

Rule 9.7 Productions Crews Alternative Work Week and Rest Days
Rule 12 Changing Starting Times and Ending Time
Rule 19 Production Gang Work
Rule 21 Away from Home Expenses
Rule 22 Automobile Expenses

The company will bulletin and award the cross sub-division Utility positions pursuant to Rule 3.

Crews established under this rule will not replace or reduce basic maintenance crews established at fixed headquarters in either the Track or Bridge and Building sub-departments.

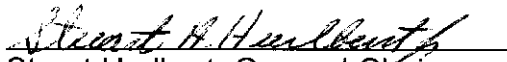
Regular and overtime rates will be paid in accordance with this agreement.

Sincerely,



Cathryn S. Frankenberg
AVP labor Relations & Human Resources – US

I concur:



Stuart Hurlburt, General Chairman
BMWED

Effective Date: 3-15-2010

Side Letter No. 5

February 1, 2010

Mr. Stuart A, Hurlburt, Jr.
General Chairman, BMWED
135 Mick Lane
Oneonta, NY 13820-4316

Within thirty(30) days of the effective date of this Agreement, employees will be permitted to take one week of their vacation allowance per year in single day increments of not less than eight(8) hours each. Such vacation will be scheduled in accordance with existing D&H/BMWED rules governing the scheduling of personal leave days.

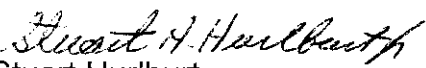
The BMWED General Chairman and the Company will consult at the end of September for the purpose of ensuring that employees schedule their remaining single day vacations prior to the end of the calendar year consistent with the needs of service.

Please indicate your concurrence by signing in the space below.

Sincerely,


Cathryn S. Frankenberg
AVP HR & LR – US

I concur:


Stuart Hurlburt
General Chairman

Dated: 3-15-2010

ATTACHMENT A

JOB TITLE	RATE AS OF 12/31/2004	NEW RATE EFFECTIVE DATE OF AGREEMENT	SPECIAL RATE ADJUSTMENT FOR FOREMAN (\$0.50) AND B&B MECH/TRUCK DRIVER (\$0.15)
B&B FOREMAN	\$19.14	\$22.04	\$22.54
FOREMAN	\$19.14	\$22.04	\$22.54
PLUMBER FOREMAN	\$19.14	\$22.04	\$22.54
PROD GANG FOREMAN	\$19.14	\$22.04	\$22.54
WELDER FOREMAN	\$19.14	\$22.04	\$22.54
WORK EQP REPAIR FRMN	\$19.14	\$22.04	\$22.54
SYS EQPMNT OPR SPCLST -A	\$18.82	\$21.68	
WORK EQUIP REPAIRMAN	\$18.62	\$21.45	
PLUMBER	\$18.24	\$21.02	
SYS EQPT OPR	\$18.24	\$21.02	
SYS EQPMNT OPR SPCLST -B*		\$21.35	
SYS EQPMNT OPR -A	\$18.24	\$21.02	
WELDER	\$18.24	\$21.02	
B&B MECH\TRUCK DRIVER	\$17.97	\$20.71	\$20.86
B&B MECHANIC	\$17.97	\$20.71	
ASST FOREMAN	\$17.81	\$20.53	
PROD GANG AST FRMN	\$17.81	\$20.53	
TRCKMN/TRK DRIVER	\$17.70	\$20.40	
TRACK MACHINE OPR	\$17.27	\$19.91	
WELDER HELPER	\$17.18	\$19.81	
TRACKMAN	\$17.04	\$19.65	

*SYS EQPMNT OPR SPCLST - B IS A NEW POSITION ESTABLISHED ON THE EFFECTIVE DATE OF AGREEMENT