

AGREEMENT BETWEEN ILLINOIS & MIDLAND RAILROAD, INC.

AND ITS EMPLOYEES REPRESENTED BY THE

BROTHERHOOD OF LOCOMOTIVE ENGINEERS and TRAINMEN

Effective April 1, 2010

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PREAMBLE

A. The following Agreement, between the Illinois & Midland Railroad, Inc. ("Carrier") and the Brotherhood of Locomotive Engineers and Trainmen ("BLET" or "Organization"), recognizes that the short line railroad industry has grown and thrived, because the short line carriers have provided service to their shippers that is different from that previously provided by the major trunk line railroads.

B. The parties to this Agreement agree that the fundamental objective of the railroad, its management and employees is to provide service to its customers in the most efficient manner. Accordingly, the parties agree that in interpreting and implementing this Agreement, paramount emphasis shall be placed on interpretations that enhance providing efficient service to customers.

C. This Agreement is intended to be based on cooperation and as such is a fundamental restructuring of the long-standing pattern of labor agreements in the railroad industry.

D. In pursuit of the goals stated in sections B and C above, it is the intention of the parties to provide a working environment in which all employees are given the opportunity and responsibility to understand, obtain experience in and maintain proficiency in all areas of the Carrier's service to its customers, consistent with their abilities.

E. In the event that any Federal or state legislation, governmental regulations or court decisions cause invalidation of any portion of this Agreement, such term or provision shall be void and of no effect. All other terms and conditions of this Agreement shall remain in full force and effect.

F. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of employees covered by this Agreement ("Employees") shall be vested in the Carrier and the regularly constituted General Committee of the Organization.

G. Where the term Organization appears herein, it shall be understood to mean the duly elected Chairman of the General Committee of the BLET or a duly elected member of the Committee as he shall designate. Where the term Carrier appears herein, it shall be understood to mean Illinois & Midland Railroad, Inc. ("I&M"). Where the term "designated Company Officer" appears, it shall mean the officer of the Company who has been designated, by the Company, to handle such specific matters.

H. 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 convenience and clarity.

I. The provisions herein shall be applied without discrimination based on race, color, creed, religion, national origin, age or sex.

J. This Agreement shall constitute a Labor Agreement between the Carrier and the Organization and shall be uniformly applied to all Employees collectively, except where otherwise specifically provided herein.

Therefore, in consideration of the mutual promises and agreements herein contained, the parties mutually agree as follows:

ARTICLE 1
SCOPE AND DEFINITIONS

A. This Agreement will apply to the work or service performed by the Employees specified herein and govern the rates of pay, hours of service and working conditions of all Employees engaged in the performance of such work or service.

B. The term "Employee" as used in this Agreement refers to the following:

- (1) Operating Employees – Certified (Engineer)
- (2) Operating Employees – Uncertified (Trainman - Conductor and/or Brakeman)
- (3) Operating Employees – Trainee

C. It is not the intention of the Carrier to have Officers/Supervisors perform the duties of Operating Employees. Operating Employees will perform all primary and incidental duties related to the operation of trains by the Carrier on its lines, except in emergency situations or when no such Employees are rested and available for service, and as provided for in Article 6.

D. The Carrier will endeavor to use Employees to perform work on all projects; however, nothing contained herein shall be construed as a restriction on the right of the Carrier to contract out such work in situations where (i) the Carrier may use contractor employees or temporary employees because there are not enough trained employees available to perform the work: (ii) the Carrier determines that the work must be completed in a short period of time and it lacks the resources to do the job in-house; or (iii) the Carrier determines that an emergency exists and that use of a subcontractor is necessary to alleviate the situation.

F. Whenever a foreign train operates over any portion of the Carrier's tracks and the foreign railroad has no qualified personnel to carry out the movement, the Carrier will provide the foreign train with a pilot who is a certified engineer.

ARTICLE 2
SENIORITY RULE

A. All Employees covered by this Agreement will be placed on a seniority roster (Trainmen seniority roster) in the order of their date of hire. The roster will show a person's current position. In addition there will be a separate seniority roster for Certified Engineers (Certified Engineer roster).

B. The seniority standing and rights of each Employee on the Trainmen seniority roster will begin on the date and time they first perform service for the Carrier under this Agreement. In cases where two or more Employees are hired on the same date, their seniority standing will be determined by their starting time on duty on that date, or if identical, then on the basis of their date of birth, oldest person first.

C. Certified Engineer roster for employees who are certified engineers as of the date of ratification, seniority shall be based on their date of certification. Employees who are promoted, transferred, or new hires to the Engineer craft after ratification, will be added to the bottom of the Certified Engineer roster based on their date of promotion, transfer or hire if they are certified engineers. If not certified, employees will be added to the Certified Engineer roster when they complete their certification.

D. Student cards and promotion: Students will be promoted in seniority order to Engineer provided that they are promoted/certified within 18 months or the "1st available class" for that group of employees.

E. Employees will not be permitted as a matter of right to bid into a position for which they are not currently qualified; however, the Carrier may temporarily assign an employee to a position for training purposes or where necessary for the efficient operation of the railroad.

F. The senior qualified Employee making application for a position opening will be assigned, provided that he has demonstrated his qualification to the Carrier's satisfaction. If there are no bids received from any qualified Employee, the junior qualified Employee on the seniority roster may be required to accept the position or assignment. If a more junior qualified person becomes available to fill the job, then the more senior Employee may return to the assignment from which he was removed.

ARTICLE 3
CREW CONSIST

Except as provided in Article 30, a train crew will consist of no less than two Operating Employees, at least one of whom will be a certified engineer.

ARTICLE 4
EXERCISE OF SENIORITY AND REPORTING

A. Seniority rights of Employees covered by these rules may be exercised only in case of vacancies, new positions or reduction of forces, except as otherwise provided in this Agreement.

B. Any exercise of displacement rights must take place within 24 hours of notice of the occurrence which necessitated the exercise of seniority. The Carrier will notify the Employee displaced as promptly as possible, but at least prior to the calling time of the assignment (operating crafts) or prior to the end of the preceding tour of duty (non operating crafts). The displaced Employee will, if entitled to exercise seniority, designate the junior Employee he wishes to displace, in accordance with this rule.

C. An Employee must exercise his seniority to any position for which he is qualified that is vacant or currently held by a junior Employee, other than the position he has vacated, until that position has been assigned to and filled by at least one other person. If no position is available, he may exercise his seniority to a position for which he will require training, subject to the provisions of Article 7. If he elects not to train for a new position, he will be furloughed until recalled in accordance with Article 5.

D. Once each calendar year, at a time to be determined by the Employee, an Operating Employee may exercise his seniority to a job that is currently held by a junior Employee, by notifying the Carrier at least 48 hours prior to the first day of the work week of the job on which he is bumping.

ARTICLE 5
REDUCTION IN FORCE

A. When the force is reduced, the Carrier will give three working days' notice of the position it intends to abolish. Incumbents of abolished positions must exercise their seniority in accordance with Article 4.

B. When the force is increased, furloughed Employees will be recalled in seniority order, provided they report for duty within fifteen (15) days from (1) the date the furloughed Employee receives notice of recall by registered mail, return receipt requested, or (2) the date upon which such mail is first attempted to be delivered but remains unclaimed or unaccepted. A copy of the recall notice will be furnished to the Organization.

C. After an Employee has received a recall notice, the Employee must notify the Carrier within five (5) days and confirm the date within the fifteen (15) day period described above on which the Employee will return to work.

D. Furloughed Employees are required to keep the Carrier currently informed of their address; failure to do so or failure to report for duty within the time designed in the preceding paragraph will result in forfeiture of seniority and all employment rights.

ARTICLE 6
TEMPORARY WORK

A. When work conditions including a workforce shortage-or seasonal demands require, the Carrier may hire Temporary Contractor Employees for temporary work. Temporary work will be considered work not expected to exceed one hundred twenty (120) days in duration, this may be extended by mutual agreement for a period of up to sixty (60) days. Employees performing temporary work will have no rights under Articles 2 and 12 through 19.

B. When temporary Employees work more than one hundred twenty (120) days, or a mutually extended period, they will be added to the seniority list and afforded rights under Article 2 and 12 through 19.

C. When an Employee is hired under this Article, the Carrier will promptly notify both the Employee and the Organization.

ARTICLE 7
QUALIFICATION AND TRAINING RULE

A. The senior Employee possessing the basic skills required for a job, as specified in the job bulletin, will be given up to 90 days to qualify in the job. The Carrier will review the applicant's performance in the job after approximately 30, 60 and 90 days. If performance has been satisfactory, they will remain on the job. If it is apparent that a person will be unable to qualify in a position, the Carrier may disqualify the person in less than 90 days. A person disqualified under this Article may exercise his seniority to a position for which he is qualified.

B. Operating Employees-Uncertified will be required to obtain their engineer's certification at the earliest opportunity offered by the Carrier and maintain their engineer's certification throughout their period of employment by the Carrier; provided, however, that if an Employee-Certified is temporarily disqualified pursuant to FRA regulations, then he may exercise his seniority to another position for which he is qualified, until he is able to reacquire his certification consistent with Federal Regulations.

C. Operating employees will perform training as directed by management. The employee-instructor is responsible to ensure that the train, engine, or cars are operated safely and rules are observed. All crew members must act responsibly to prevent accidents or rule violations; however, it is recognized that some minor mistakes can be made during training that an instructor may not be able to prevent in time, i.e. broken knuckle or drawbar. In instances such as this, the instructor will not be held directly responsible for the actions of a training employee.

ARTICLE 8
ACCEPTING OFFICIAL POSITIONS

An Employee who is promoted after the ratification of the April 1, 2010 contract, to an official position with the Carrier will be required to pay union dues in order to retain and continue to accumulate seniority.

ARTICLE 9
FORFEITING SENIORITY

A. An Employee who leaves the service of the Carrier of his own accord shall forfeit his seniority rights and shall not be reinstated. If he is reemployed by the Carrier, his seniority rights shall date from the date and time he first performs service for the Carrier after reemployment.

B. An Employee who is discharged for cause shall forfeit his seniority rights; provided, however, that this rule shall not operate to prevent, upon mutual agreement of the Carrier and the Organization, the reinstatement with seniority rights unimpaired of an Employee who shall have been discharged for cause, whether or not an appeal has been made under the provisions of Article 12.

C. An employee who has not performed any service for the Carrier for a period of twenty-four (24) consecutive months will also forfeit his/her seniority.

ARTICLE 10
APPROVAL OF APPLICATIONS

A. Applications for employment will be approved or disapproved within the greater of ninety (90) calendar days or sixty (60) days of actual service following the day an Employee first performs service with the Carrier. An application that is rejected within this period will result in termination of the Employee's relationship with the Carrier without grievance and arbitration procedures.

B. Newly hired probationary Employees shall not be eligible for the benefits provided in Articles 16, 17, 18 and 19.

C. Any current Employee who applies for a position for which he is newly qualified will be subject to the provisions of paragraph A of this Article; provided, however, that failure of the Employee to successfully complete the probationary period will not result in the loss of any of his preexisting seniority rights.

ARTICLE 11
LEAVE OF ABSENCE

A. Employees may be granted a leave of absence, in writing, of up to ninety (90) days upon the approval, and at the discretion, of the Carrier. An Employee granted such leave shall sign a copy of the written authorization and return it promptly to the Carrier.

B. Employees engaging in Organization committee or legislative work, including Local, General or Grand Lodge officers, will, upon request, with at least thirty (30) calendar days advance notice if possible, describing the nature of their work, be granted a leave of absence, in writing, for the period so engaged. An Employee granted such leave shall sign a copy of the written authorization and return it promptly to the Carrier.

C. Except as provided in paragraph B above, an Employee on leave of absence from the Carrier may not perform compensated service for another employer, unless approved by the Carrier and the Organization.

ARTICLE 12
DISCIPLINE

A. Investigation. Subject to the following, Employees whose applications have been approved shall not be disciplined without just cause and without a fair and impartial investigation. The Employee will be notified of the charge against him within ten (10) days of the occurrence on which discipline is to be based or knowledge of the incident is received by the Carrier Officer authorized to take action under this Article. The investigation will be conducted by a Carrier Officer (the "Discipline Officer") which may be an officer of another Carrier within the Genesee & Wyoming Inc. companies, with the Employee 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. Employees required by the Carrier to attend an investigation during regular assigned hours will be made whole for time lost. Employees required by the Carrier to attend investigations commencing outside their assigned hours will be paid on a minute basis at the straight time rate of their regular assignment. If discipline is assessed, a written notice will be issued to the principle and a copy sent to the BLET General Chairman, within fifteen (15) days of the completion of the investigation/ receipt of the transcript; complete and accurate transcript of the proceedings shall be prepared and provided by the Carrier, to the BLET General Chairman and the principle(s) within a reasonable amount of time, but not less than fifteen days after the Carrier has received the transcript. Note: In cases where the transcript is delayed through no fault of the Carrier, the limits for the Organization to make an appeal under paragraph D(1) shall be extended by an amount of time equal to the delay.

B. Waivers of Investigation. When a Carrier Officer deems it appropriate, in situations such as but without limitation, where the severity of the offense or the Employee's record of

discipline do not warrant discipline of dismissal, the Carrier Officer may offer the Employee under charge the opportunity to waive his right to an investigation and accept discipline of a specified amount. The Employee, upon request, will be given a reasonable opportunity to discuss the matter with his union representative before accepting a waiver. Offers of waiver made under this Article 12.B. will be without prejudice or precedent and may not be referred to by either party in the handling of subsequent discipline matters under this section.

C. Holding Employees Out of Service. In cases management determines to be serious (such as, but not limited to, theft, altercation, drug and/or alcohol violations, insubordination, major accidents, serious misconduct, etc.) and when required by application of federal regulations governing the conduct of railroad operations, Employees may be withheld from service. It is understood that any Employee held out of service under this Article 12 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. Appeals.

(1) If the Employee or the Organization desires to appeal the discipline assessed as a result of the investigation, a written appeal will be made by the General Chairman or his designated representative to the highest designated Company Officer (the "Appeal Officer") within sixty (60) calendar days from the date the notice accessing discipline was received by the General Chairman, including a copy of the transcript. Conference will be held within 30 calendar days after receipt of the appeal, or at such other time as the parties may agree.

(2) Decision of the Appeal Officer shall be made, in writing, within sixty (60) calendar days from the date the Organization's Appeal was received by the Company Appeal Officer.

(3) If the Appeal Officer decides not to reverse the discipline, the Employee or the Organization may request a conference with him to discuss the case in person or by phone. Such conference request must be made in writing within sixty (60) calendar days of the Appeal Officer's denial of the appeal.

(4) If the Appeal Officer determines that an Employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the Employee's record. The Employee 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 he earned during the period of discipline.

(5) If the issue is not resolved in conference, the Appeal Officer's decision will be final and binding unless within six (6) months of the date of the Appeal Officer's written decision, either party has progressed the dispute to arbitration by a tribunal having jurisdiction to dispose of such claims.

ARTICLE 13
GRIEVANCE AND ARBITRATION PROCEDURE

A. All claims or grievances must be presented in writing by or on behalf of the Employee involved to the officer of the Carrier authorized to receive same, within thirty (30) calendar days from the date of occurrence on which the claim or grievance is based. The claim must state the names of the Employees involved, the rule of the Agreement upon which the claim is based, the date and time of the incident and all relevant facts in support of the claim.

B. Should any such claim or grievance be disallowed, the Carrier shall within thirty calendar (30) days from the date same is filed, notify the Employee or his representative of the reasons for such disallowance. If not so notified, the claim or grievance shall be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

C. If a disallowed claim or grievance is to be appealed to the highest officer designated to handle claims or grievances, such appeal shall be taken within sixty (60) calendar days from receipt of notice of disallowance from the first officer of the Carrier.

D. A conference shall be held with the Highest Designated Officer of the Carrier within 60 calendar days of receipt of the appeal, or at such time as the parties may mutually agree. Following conference, the Highest Designated Officer must notify the Organization, in writing, of his decision within 60 calendar days from the date of conference.

E. If claims denied by the Highest Designated Officer are to be progressed, proceedings must be instituted within six (6) months by the Employee or his representative before a tribunal having jurisdiction pursuant to law or agreement of the claim or grievance involved.

ARTICLE 14
HOLIDAYS

A. The Carrier recognizes the following days as paid holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Day After Thanksgiving Day, Christmas Eve and Christmas Day and New Year's Eve. A holiday observation list shall be issued and posted by the Carrier by December 15th for the following calendar year. Christmas Eve, Christmas Day, New Year's Eve, and New Year's Day shall be observed on the actual calendar day.

B. Holiday pay is paid in addition to earned wages, and is computed as one (1) straight-time day's pay at the rate Employee's regular rate. To be eligible for holiday pay, a regularly assigned Employee must have worked the last work day before and after the holiday. In the case of an extra board Employee, he must have worked or been available for work on the holiday, the last work day prior to the holiday and the first workday following the holiday. Employees who are on paid leave or bereavement leave on those days are considered to have met this requirement and are eligible for holiday pay.

ARTICLE 15
PAID LEAVE

A. Operating Employees will earn paid leave time on the following schedule:

(1)

After April 1, 2010

<u>Effective Date</u>	<u>Hours Per Pay Period</u>	<u>Aggregate Days</u>
0 - 2 years	2.29	7
2 - 10 years	4.58	14
10 - 20 years	6.54	20
20 years	8.5	26

After April 1, 2011

<u>Effective Date</u>	<u>Hours Per Pay Period</u>	<u>Aggregate Days</u>
0 - 2 years	2.15	7
2 - 10 years	4.31	14
10 - 20 years	6.15	20
20 years	8	26

B. Personal leave time accrued but not used will carry over from year to year, up to a total of 30 days. The Carrier generally will not substitute pay for time off with respect to personal leave time accrued but reserves the right to do so on a discretionary basis.

C. Requests for leave in one-week blocks that are filed prior to the last day of the preceding year will be assigned based on seniority, consistent with service requirements. Leave requested for periods of less than one week and requests filed during the year in which they are to be taken will be granted by the Carrier based on the requirements of the service.

D. Operating employees may take and be compensated for their accrued personal leave time in individual days or in blocks of days, but not in increments of less than 8.5 hours (effective

April 1, 2010) and 8 hours (effective April 1, 2011). They will be charged and paid 8.5 hours (effective April 1, 2010) and 8 hours (effective April 1, 2011) at their applicable hourly rate for each paid leave day used.

E. Paid leave time will not be counted as hours worked for the purpose of calculating overtime pay.

F. Employees who leave the service will be paid for unused leave time remaining in their leave bank.

ARTICLE 16
BEREAVEMENT LEAVE

A. Bereavement leave is designed to allow an Employee time off when a death occurs in the immediate family. An Employee may be given a leave of up to three (3) days with pay, calculated at the straight-time daily rate of the normal assignment.

B. For purposes of this policy, the immediate family is defined as the Employee's spouse, child, parent, parent-in-law, stepparent, stepchild, grandchild, sibling, sibling-in-law and grandparents.

C. The days of leave for which an Employee shall be paid will be limited to those days on which he is regularly scheduled to work and does not work because he is arranging for, traveling to and from or attending the funeral. No pay will be granted to Employees for this purpose who are already on vacation, leave or absence, lay-off or paid holiday. Time paid for bereavement leave will not be included in the computation of overtime.

ARTICLE 17
JURY DUTY

A. Employees who serve on jury duty will be paid the difference between the amount paid by the court for such service, and the amount of their normal straight-time pay that would have otherwise been earned. No pay will be granted if an Employee is on leave of absence, lay-off or paid leave. Hours paid under this provision shall not be considered as time when computing overtime.

B. Employees required to attend court, coroner's inquest or give depositions at the request of an official of the Carrier, will be paid for actual time lost and reimbursed actual expenses.

ARTICLE 18
HEALTH AND WELFARE, MAJOR MEDICAL, AND DENTAL COVERAGE

A. Employees will be covered by the Group Health Benefit Plan of the Illinois & Midland Railroad, Inc. (the "Plan"). Employees shall participate in the Carrier Health and Welfare plans under the same terms and conditions as other Carrier employees who are enrolled in the same plans. The Carrier will notify the organization of any updates, amendments or modifications to the plan and will if requested meet to discuss the updates, amendments or modifications with the Organization. Employees must first meet the qualifying criteria as described in the Plan before they can become eligible to receive benefits. A booklet outlining the coverage available can be obtained from the general office.

B. Effective April 1, 2011 the following employee monthly contributions will be required to continue Health and Dental insurance coverage:

Single: \$12.50

Two Person: \$37.50

Family: \$57.50

The Contributions will be subject to adjustment on an annual basis in January of each year.

Employee contributions shall be the same as required of other Carrier employees enrolled in the same plan subject to a maximum annual increase of 5 %/year. The Carrier will pay the balance of the premium, as long as the Employee performs at least one (1) day's service during the month to be covered.

C. Should an Employee fail to qualify for coverage during a calendar month, he will be afforded the ability to continue coverage under the Plan by paying the entire premium cost.

ARTICLE 19
SHORT TERM DISABILITY

Effective January 1, 2012, short term disability (STD) Insurance will become an employer provided benefit, up to twelve (12) weeks during a rolling year period. Subject to the same qualifications and terms as the Carrier sponsored plan. The Carrier will notify the Organization of changes, alterations, amendments or modifications in the STD plan prior to the effective date and at the Organization's request will discuss such changes with the designated Representative; however, nothing contained in this Collective Bargaining Agreement is intended to limit the right of the Carrier to alter, modify, change or amend the plan, or plan design, at any time, so long as the change(s) also apply(ies) to all other Carrier employees who are enrolled in the same Plan.

ARTICLE 20
401(K) PLAN

A. Any Employee who is covered by the collective bargaining agreement may contribute to the Genesee & Wyoming Inc., 401(k) Savings Plan for agreement-covered employees (the "Plan") beginning on the first day of the quarter following their date of hire.

B. The Carrier will provide a dollar for dollar match on the first 3 percent of pay contributed by the Employee to the Plan, which will not exceed 3.0 percent of the Employee's compensation for that year.

C. The Plan is intended to be a "qualified" plan within the meaning of section 401 of the Internal Revenue Code.

D. Plan administration. Employee may participate in the Carrier 401k plan under the same terms and conditions as all other Carrier employees who are enrolled in the same plan. The Carrier will notify the Organization of changes, alterations, amendments or modifications in the 401k plan prior to the effective date and at the Organization's request will discuss such changes with the General Chairman or his designee; however, nothing contained in this Collective Bargaining Agreement is intended to limit the right of the Carrier to alter, modify, change or amend the plan, or plan design, at any time, so long as the change(s) also apply(ies) to all other Carrier employees who are enrolled in the same Plan.

ARTICLE 21
UNION DUES DEDUCTION

A. Subject to the conditions set forth, the Carrier will deduct all sums for periodic union dues, assessments and insurance premiums payable to the Organization by members of the Organization employed by the Carrier, from wages earned in any services, upon the written and unrevoked authorization of a member in the form agreed upon by the parties hereto.

B. Payroll deduction authorizing forms may be revoked by executing the form agreed upon by the parties.

C. Both authorization and revocation forms shall be reproduced and furnished to its members by the Organization. The Organization shall be responsible for execution of the authorization forms by the members and for delivering such forms to the Carrier. In like manner, revocation forms shall be furnished by the member to the Organization, which shall be responsible for its delivery to the Carrier.

D. Deductions shall be made by the Carrier in accordance with a deduction list furnished to the Carrier by the Organization. Such lists, together with authorization and revocation forms, shall be furnished to the Carrier on or before the tenth day of each month in which the deduction or termination of deduction is to become effective. The original lists furnished shall show the member's name and the amount to be deducted. Thereafter, two lists shall be furnished each month to the Carrier showing the following:

1. A list showing the amount to be deducted from each member for the current month, along with the names of members from whose wages no further deductions are to be made, which shall be accompanied by revocation forms signed by each member so listed.

2. A list showing additional members from whose wages the Carrier shall make deductions as herein provided, together with authorizing forms signed by each member so listed. Where there are no such additional members, the list shall so state.

E. Deductions as provided herein will be made monthly by the Carrier from wages due members in the second pay period in each calendar month and the Carrier will, subject to the paragraph F hereof, remit to the Organization the total amount of such deductions on or before the first day of the month following the month in which such deductions are made. With such remittance the Carrier will furnish the Organization a statement showing members from whom deductions were made and the amount of deductions.

F. In the event earnings of a member are insufficient (after deduction of all appropriate federal, state and municipal taxes, premiums on insurance, other deductions required by law, such as garnishments and attachments, and amounts due the Carrier by the Employee) to permit the full amount of deduction, no deduction will be made.

ARTICLE 22
JOB ASSIGNMENTS AND BIDDING RULE

A. Regular assignments will be bulletined to operate for not less than five (5) calendar days with two (2) consecutive days off, stating the starting time, days off and on and off-duty point. Assignments that become open permanently will be bulletined as permanent positions for a total of five (5) calendar days, except in case of an emergency, notice of which shall be promptly given to the Organization.

B. An Employee desiring to be considered for a posted position shall execute the appropriate job bid form, and deliver it to the proper supervisor. All such forms will then be reviewed, and the position filled by the senior qualified Employee who has submitted a form.

C. Employees can move from their assigned positions only by bidding for another vacant position, or by exercising their seniority in accordance with Article 4.

D. Temporary vacancies may be advertised for bid as outlined above if the vacancy is expected to exceed thirty (30) days. For temporary vacancies of not more than thirty (30) days or for which the duration is unknown, Employees on an extra board may be used to fill such vacancies. Bulletins will be posted in advance of the vacancy when it is known a vacancy will exist. All temporary assignments will cease on the return of the absent Employee, and all Employees holding temporary assignments will revert to their regular assignment.

E. The Carrier will rebulletin any assignment where the starting time will be permanently changed more than two hours. Starting times may be temporarily changed without bulletining where conditions require.

F. Whenever possible Employees will be given notice of their assignment being annulled upon tie up the prior day.

ARTICLE 23
SENIORITY ROSTERS

A system seniority roster shall be prepared as of January 1 of each year and the revised roster shall be posted on bulletin boards in convenient places and copies of such roster shall be furnished to the Organization. All appeals from new or revised roster dates shall be made within thirty (30) days from the date of posting of the seniority roster on which the new or revised date shall first appear. Protests may be made only for changes made from the prior year's roster. If any Employee is absent on leave of absence or by reason of sickness, injury or other unavoidable cause at the time the roster is posted, his time to appeal shall be limited to thirty (30) days after he first returns to work.

ARTICLE 24
EXTRA BOARD

Extra board(s) may be established at the Carrier's option. Employees will be placed on the board in the order of their tie up time and will be called in the order they stand if they are qualified and rested for the vacancy. An Employee assigned to an extra board will be required to protect a vacancy for which he is qualified. The Carrier will notify the Organization in advance of any additions to, or deletions from, an extra board. The Carrier will endeavor to regulate the extra board(s) in a manner that will permit Employees on the extra board(s) to work five tours of duty in any week; however, nothing contained herein shall be construed to create an extra board guarantee for five days' pay. Extra board Employees will be guaranteed the equivalent of 40 hours' earnings at their regular straight time rate of pay.

ARTICLE 25
CALLED AND NOT USED AND CALLING PROCEDURE

A. When an Employee is called and reports for duty, and for any reason other than his own, is not used, he will be allowed four (4) hours' pay at rates specified herein, or the actual time on duty, if greater than four hours.

B. When possible, the Carrier will provide at least a one (1) hour and thirty (30) minute call or as near as possible in advance of the on-duty time. However, the Carrier is not required to call an Employee who is in assigned service.

ARTICLE 26
PHYSICAL EXAMINATIONS

A. Should Employees be required to take physical examinations, such examinations will not be more frequent than once each year, unless in the opinion of their supervisory officers, the Employees' health or physical condition is such that an examination should be made to determine if the Employees are physically able to perform service.

B. If an Employee should be disqualified following an examination by the Carrier's physician and feels that such disqualification is not warranted, the Employee may consult his own physician. If the Employee's physician does not agree with the medical diagnosis of the Carrier's physician, the two physicians will agree upon a specialist in the field involved in the disqualification who will examine the Employee. The determination of the third physician shall be final and binding upon the parties, and the cost of the examination shall be shared equally by them. If the determination of the third physician is that the Employee should be returned to work, the Carrier shall be liable for any time lost from work by the Employee between the time of its receipt of the third physician's opinion and its offer of work to the Employee. (It is the responsibility of the Employee to keep the Carrier informed of a current telephone number where the Employee can be reached.)

ARTICLE 27
RATES OF PAY

Rates of pay for Employees covered by the terms of the Agreement shall be per the rate table in Appendix 1.

1. Operating Employees

(a) Except for trainees, Operating Employees will receive the Operating Employee - Certified rate of pay for any Operating service performed so long as their engineer's certification is kept current, without regard for whether they actually operate a locomotive during their tour of duty.

(b) Operating Employees will be paid on a daily basis, at the rates shown in Appendix 1, subject to Article 24.

(c) Effective with the beginning of the 1st pay period after April 1, 2010, the daily rate of pay will be divided by 8.5 to calculate the hourly rate of pay, and Operating Employees will be paid 1.5 times their new hourly rate for any hours in excess of 8.5 hours actually worked per day.

(c) Effective with the beginning of the 1st pay period after April 1, 2011, the daily rate of pay will be divided by 8 to calculate the hourly rate of pay, and Operating Employees will be paid 1.5 times their new hourly rate for any hours in excess of 8 hours actually worked per day and the daily rate of pay will be increased by ½ percent (.5%).

(d) With the start of the first payroll period after October 1, 2011 the daily rate of pay will be increased by 3 percent.

(e) With the start of the first payroll period after October 1, 2012, the daily rate of pay will be increased by 3 percent.

(f) With the start of the first payroll period after October 1, 2013, the 4th the daily rate of pay will be increased by 3 percent.

(g) Employees will be paid the overtime rate of pay for the sixth or seventh start during a seven-day period, beginning with the first day of the assignment for regular assignments or beginning on Wednesday for extra board Employees.

2. Employees required to work on a recognized holiday will be paid the greater of a day's pay at one and one half times the applicable rate or actual hours worked at one and one half times the applicable rate of pay.

3. Employees who are required by the Carrier to travel off the property on their rest days for reasons not associated with the work of their regular assignment will be compensated a basic day's pay. No overtime will be paid for classroom or travel time.

4. Employees who perform service on all the days of their assignment and do not lay off of their own accord will be guaranteed the equivalent of 40 hours' earnings per workweek. Employees who do lay off will be paid for actual time worked.

ARTICLE 28
ENTRY RATES OF PAY

A. Subject to the following provisions, newly hired or rehired Employees shall be paid as follows:

First 12-month period of full-time employment – Eighty-five (85) percent of the regular rate of the position worked.

Second 12-month period of full-time employment - Ninety (90) percent of the regular rate of the position worked.

After an Employee has completed the second 12-month period of full-time employment, he will be entitled to receive the full rate of the position worked.

B. Employees who have satisfied the requirements to receive the full rate of pay under this Article will not be subject to this Article when they move from one position to another within the Carrier.

ARTICLE 29
UNION SHOP

A. It shall be a condition of employment that all Employees of the Carrier covered by this Agreement who are members of the Organization in good standing and those who are not members on the effective date of this Agreement shall, on the ninety-first (91st) day (or such longer periods as the parties may specify) following the effective date of this Agreement, become and remain members in good standing in the Organization. It shall also be a condition of employment that all Employees covered by this Agreement and hired on or after its effective date, shall on the ninety-first (91st) day following the beginning of such employment become and remain members in good standing in the Organization.

B. The Carrier will within three (3) working days after receipt of notice from the Organization, discharge any Employee who is not in good standing in the Organization as required by paragraph A of this Article. The Organization will indemnify the Carrier against all liability (including reasonable attorneys' fees and expenses) related to its compliance with the provisions of this Article.

ARTICLE 30
REMOTE CONTROL OPERATIONS

A. When the Carrier establishes assignments using remote control technology on the ground, they will be manned by Operating Employees, at least one of whom is a qualified remote control operator (“RCO”).

B. Employees working on RCO crews will be paid 7.6% of their applicable daily rate of pay, in addition to their regular earnings.

C. Operating Employees may exercise their seniority to RCO training positions, which the Carrier will schedule on an as-needed basis. Once qualified as an RCO, an Employee may exercise his seniority to RCO positions as they are established by the Company.

D. Employees in train and engine service on the effective date of this Agreement will be “RCO Protected.” If a position is eliminated as a result of the establishment of an RCO assignment, which results in an RCO Protected employee being unable to hold a regular assignment, he will go to the extra board and will not be subject to furlough so long as the position continues to be vacant due to the use of remote control technology. This provision may not be construed to entitle RCO Protected Employees to furlough protection when jobs are eliminated or they are displaced for other reasons.

ARTICLE 31
MANAGEMENT RIGHTS

The Organization recognizes that the carrier retains the exclusive right to operate and manage the business, to direct and control and schedule its operations and work force and to make any and all decisions affecting the business, whether or not specifically mentioned herein and whether or not heretofore exercised.

To establish and post reasonable rules of conduct including a Code of Ethics which shall be reviewed and acknowledged by all employees covered by this agreement on an annual basis as long as the Code applies to all other Carrier employees.

To establish, continue, modify or amend policies and procedures for the conduct of the business.

The enumeration of management rights and prerogatives contained herein, is not intended to affect the specific provisions of this Agreement.

ARTICLE 32
MORATORIUM AGREEMENT

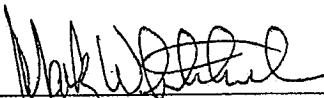
This Agreement is made in full and final settlement of all outstanding Section 6 notices between the parties. The parties further agree that no notice to change this Agreement, pursuant to Section 6 of the Railway Labor Act, as amended, will be served by either party before June 30, 2014 not to become effective prior to January 1, 2015.

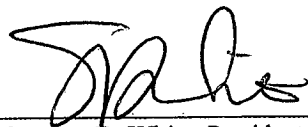
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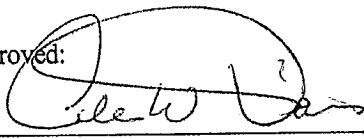
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
& TRAINMEN

For the:

ILLINOIS & MIDLAND
RAILROAD, INC.

By: 
Mark Whitchurch, General Chairman

By: 
Spencer D. White, President

Approved: 
Cole W. Davis, Vice President

APPENDIX 1

OPERATING EMPLOYEES:

	Engineers		Conductors		Trainees	
	Daily	Hourly	Daily	Hourly	Daily	Hourly
April 1, 2010*	\$226.26	\$26.62	\$209.97	\$24.70	\$203.22	\$22.58
April 1, 2011	\$227.39	\$28.42	\$211.02	\$26.38	\$204.24	\$25.53
October 1, 2011	\$234.21	\$29.28	\$217.36	\$27.17	\$210.37	\$26.30
October 1, 2012	\$241.24	\$30.16	\$223.88	\$27.99	\$216.68	\$27.09
October 1, 2013	\$248.48	\$31.06	\$230.60	\$28.83	\$223.18	\$27.90

*Note for all wage adjustments and increases in this contract or any letter agreement; the actual increase will be effective with the beginning of the first pay period commencing after the designated date.

[Note, for strike through contract only, not for final agreement: We double checked the numbers from what we put on the board during at the end of our bargaining session on the 24th. Where there is a difference, we have included the original number from the board with a strike through and the corrected number right below it.]

Mark Whitchurch
General Chairman BLET
5909 Shelby Oaks Drive, Suite 139
Memphis, TN 38134

Re: Letter of Understanding - Seniority

Dear Mr. Whitchurch,

As part of our settlement of the 2010 – 2015 IMRR/BLET negotiations, the Carrier and the Organization agreed:

Should any Employee who appears on the Trainmen Seniority Roster and who has prior rights in another craft and decide to exercise their prior rights to transfer into another craft, shall be removed from the Trainmen Seniority Roster.

The following employees work in another craft and also hold Trainmen seniority, Rickey Garner, Christopher Fleer, Andy Burger, Matthew Ragon. When an opening occurs in the T&E craft, these individuals will have a one-time opportunity to exercise seniority back into T&E. Failure to exercise their Trainmen seniority will result in their name being removed from the Trainmen Seniority roster.

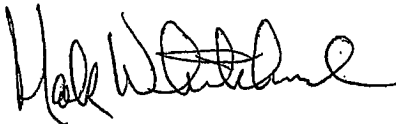
If this accurately reflects your understanding, please sign below.

Very truly yours,



Spencer D. White
President

AGREED, October 26, 2011



Mark Whitchurch
General Chairman, BLET

Mark Whitchurch
General Chairman BLET
5909 Shelby Oaks Drive, Suite 139
Memphis, TN 38134

Re: Letter of Understanding – Lump Sum and Retroactive Wage Adjustment


Dear Mr. Whitchurch,

As part of our settlement of the 2010 – 2015 IMRR/BLET negotiations, the Carrier and the Organization agreed:

To provide a retroactive wage adjustment to all employees for the period beginning with the start of the first payroll period beginning after April 1, 2010 through contract ratification. Retro pay will be provided to all employees who are on regular assignment, extra-board assignment or a combination thereof. The retro pay adjustment will be by separate payment which shall be based on the following formula: For each employee we will review their work days and pay each as if an 8.5 hour day (as opposed to a 9 hour work day) had been in effect as April 1, 2010 and on as if an 8.0 hour day had been in effect as of April 1, 2011, together with a 1/2percent (.05%) general wage increase.

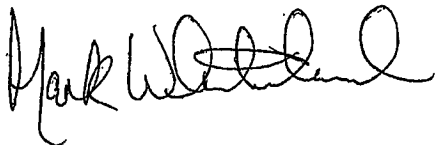
If this accurately reflects your understanding, please sign below.

Very truly yours,



Spencer D. White
President

AGREED, October 26, 2011



Mark Whitchurch
General Chairman, BLET