

BUFFALO & PITTSBURGH RAILROAD, INC.

AGREEMENT BETWEEN BUFFALO & PITTSBURGH RAILROAD,
INC.

AND INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
(REPRESENTING MACHINISTS)

MAY 30, 2008

BUTLER, PA

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ARTICLE 1

CLASSIFICATION OF WORK

1.1 Machinist Work Description: As an employee of the Buffalo & Pittsburgh Railroad machinists work shall consist of, but is not limited to, servicing and maintaining locomotives and their appurtenances according to guidelines established by the Company, which include the following: service, inspect and supply locomotives with fuel, water, lubricating material, sand, stationary, cab and sanitary supplies. Machinists will also be responsible to maintain and install wheel sets, draft systems, and their components, trucks and their components, air brakes, engine components, air compressors, turbo chargers, blowers, filters, fuel systems, lube oil systems, engine cooling systems, car bodies, cabs, doors, windows, install and align rotating equipment, fabricate and fasten various locomotive parts as may be required to service and maintain electrical equipment incidental to servicing and inspecting or in case of emergency. Machinist and their helpers will be responsible to keep and maintain a neat, clean and orderly work area. The Company will reserve the right to inspect equipment as may become necessary.

1.2 Machinist Helper Work Description: As an employee of the Buffalo & Pittsburgh Railroad machinist helper work shall consist of servicing and maintaining locomotives and their appurtenances which include the following: Service, inspect and supply locomotives with fuel, water lubricating material, brake shoes, sand, sand hoses and their piping, cab supplies, wash and clean locomotives cabs and car bodies. Helpers will be responsible to assist a machinist in any of the activities that may be classified as machinists work.

1.3 It is understood that notwithstanding the above classifications of work, less than four (4) hours' work per day at an outlying point will not require the Company to employ a machinist or machinist helper.

ARTICLE 2

APPROVAL OF NEW EMPLOYEES

2.1 Application for employment will be approved or disapproved within a probationary period of one hundred (100) working days following the day the employee first performs service with the Company. An application that is rejected any time within such period will result in termination of the employee's relationship with the Company for all purposes, and shall not be subject to the provisions of this Agreement, including Articles 13 and 14.

ARTICLE 3

OVERTIME

3.1 There will be an overtime call list for those employees represented by the International Association of Machinists and Aerospace Workers posted at the Butler Locomotive and Yard facilities and/or at any other locations as may be agreed upon locally, to meet service requirements, preferably by employees who volunteer for overtime service. The local committee will determine how hours will be counted. Carrier will call in order given by the committee. The overtime call list will be kept under lock and key, available to view by employees and made available to employees upon request.

3.2 The Company agrees to attempt to assign, as nearly as feasible, equal amounts of overtime among employees who voluntarily request to be placed on the overtime call lists.

3.3 Should there not be sufficient number of qualified employees who volunteer to properly take care of the work, any employee who may be called must respond at the time called, unless there is good and sufficient reason why the employee cannot respond. However, the Company will endeavor in any year to assign forced overtime so that it is distributed among qualified employees, rather than always to the most junior employees.

3.4 Any employee refusing call for other than good and sufficient reason will be charged, for the purposes of overtime equalization (paragraph 3.2), the same number of hours as the employee who responded.

3.5 The local committee of the International Association of Machinists and Aerospace Workers and representatives of the Company will cooperate in determining the employees to be called from the overtime call lists.

3.6 Employees must designate a telephone number at which they can be reached for the purpose of being called.

ARTICLE 4

WORK DAY and WORK WEEK

4.1 The starting time of a regularly assigned employee shall commence at the time he is required to report for duty, and his pay shall continue until the time he is relieved from duty. Eight consecutive hours of work constitutes a regular assignment.

4.2 There may be one, two or three shifts employed. The starting time of the first shift shall be between 6:00 a.m. and 8:00 a.m. The starting time of the second shift shall be between 2:30 p.m. and 5:30 p.m. The starting time of the third shift shall be between 11:00 p.m. and 1:00 a.m.

4.3 The ordinary work week of a regular assignment will consist of five consecutive days, with two consecutive rest days whenever possible.

4.4 The regular work, week of regularly scheduled positions shall commence on Wednesday of each calendar week. Effective within 90 days of signing all employees covered under this agreement will be paid on a bi-weekly basis with the payday as the second Thursday following the pay period ending date.

4.5 Subject to paragraph 4.2, the starting time and rest days of machinists and machinist helpers shall not be changed without at least forty—eight (48) hours' advance notice to the employees holding such positions, except in emergency conditions such as major derailments, fire or Act of Providence, (flood, storm, etc.)

4.6 Employees working more than eight hours in one day or in excess of 40 hours in one work week shall be paid one and one—half times the basic straight time rate for such work. There shall be no permitting of overtime: for example, overtime hours paid for work in excess of eight hours in a day shall not be included in computing eligibility for overtime after 40 hours in a work week. Employees who are called into work will be allowed a minimum of 4 hours work or pay.

ARTICLE 5

SENIORITY

5.1 An employee who works in the machinist craft will acquire seniority rights as a machinist or as a machinist helper after the completion of a probationary period of sixty (60) work days in such job classification, retroactive to the first day of such service.

5.2 A permanent machinist or machinist helper vacancy shall be filled through the procedure set forth in Article 7 of this Agreement. In the case of a promotion, an employee shall be given a trial period of up to thirty (30) days in which to demonstrate qualification for the job bulletined, provided that the Company may, in its discretion, determine at any time within this period that the employee will not qualify, and may thereafter offer the next senior applicant the opportunity to such a trial period. Where an employee is disqualified prior to the end of the thirty (30) day trial period, he shall receive the wage for the bulletined position for the remainder of the thirty (30) day trial period. Upon request, an employee shall be entitled to receive in writing the reason(s) for his disqualification and may require a conference, at which his IAM representative may be present, to discuss such disqualification. A grievance may be filed on behalf of the disqualified employee under Article 14 if it is felt that the employee's disqualification was arbitrary or capricious.

5.3 When the work force is reduced, the Company will lay off employees in the classification of machinist and/or machinist helper in order of their seniority in such classification(s), starting with the least senior. All machinist, helpers shall be laid off before any machinist is laid off. The Company will not hire new employees in the machinist or machinist helper classification while there are employees on furlough in that classification.

5.4 Furloughed employees are required to keep the Company informed of their current address. Failure to do so or failure to notify the Company and report for duty with the times designated in paragraphs 5.5 and 5.6 will result in the loss of seniority and forfeiture of all employment benefits.

5.5 When the work, force is to be increased, furloughed employees will be recalled in order of seniority, based upon need, starting with the most senior. A recalled employee will retain his original seniority date and standing, provided he reports for duty within ten (10) days from the date such employee is provided notice of recall by certified mail, return receipt requested.

5.6 After an employee has received a recall notice, the employee must notify the Company within three (3) days and confirm the date on which he will return to work within the ten (10) day period described in paragraph 5.5.

5.7 Two seniority rosters, showing the names, seniority dates and qualification held of employees in the classifications of machinist and machinist helper will be issued by the Company and posted during January of each year. A protest of seniority acquired since the preceding year's roster must be made within sixty (60) days after posting, or it shall be barred. An error made in carrying forward seniority from the prior roster may be corrected at any time.

5.8 The appointment of a probationary employee as a machinist or lead machinist may be withdrawn at any time during the probationary period by the Company without recourse to Articles 13 and 14. It is understood that the Company may promote the most qualified employee to a lead or supervisory position, regardless of his position on the senior roster. It is also understood that the Company will first consider current employees for promotion. If, in the sole judgment of the Company, no qualified employees are available, the Company may recruit a qualified person from outside the Company to fill a lead or supervisory position.

5.9 An employee may exercise seniority rights only to a position for which he is currently qualified when:

1. His position is abolished.
2. He is displaced by a senior employee.
3. The starting time of his assignment is changed by more than two (2) hours. This shall not apply in case of general time changes such as going to and from Daylight Saving Time.
4. The regularly assigned rest days of a position are changed. (Seniority may be exercised either to or from the position affected.)
5. A regularly assigned relief position is changed by the number of first, second, or third shifts.
6. Returning from a leave of absence, disability retirement, or official position.

5.10 An employee desiring to exercise seniority under the provisions of this Article shall do so within ten (10) days after the effective date of changes referred to herein, and shall give not less than sixteen (16) hours' advance notice to the proper officer before the starting time of the position on which displacing; provided, however, if prevented by illness, vacation, jury duty, or leave of absence, seniority must be exercised within ten (10) days thereafter. Failure to exercise seniority within the time limit herein prescribed shall result in the employee reverting to furlough status, with the right to bid on subsequently bulletined positions. When a junior employee is displaced, the displacement shall not be considered accomplished until the senior employee exercising seniority physically occupies the involved position.

5.11 Employees holding seniority under this Agreement who are promoted to non-Agreement or official positions shall retain their current seniority but shall be required to pay their regular monthly dues or an appropriate monthly fee, not to exceed the monthly union dues required of other employees 5 the Organization, in order to accumulate additional seniority. Such an employee who elects to stop paying regular monthly dues shall loose any seniority accumulated after promotion.

5.12 Carrier agrees in the event that the workforce is reduced due to operational changes or shop relocation, that senior qualified employees covered by this agreement will be given the opportunity to fill those relocated positions.

ARTICLE 6

LEAVE OF ABSENCE

6.1 Employees may he granted a written leave of absence without pay of up to ninety (90) days upon the approval of the General Manager and the General Chairman. An employee granted such leave will sign a copy of the written authorization and return it promptly to the Company.

6.2 Any employee on leave of absence from the Company may not engage in other employment unless approved by the General Manager and the General Chairman.

6.3 Employees accepting service with the Association of American Railroads, Railroad Retirement Board, National Railroad Adjustment Board, International Association of Machinists and Aerospace Workers, National Mediation Board, Interstate Commerce Commission, Federal Railroad Administration, National Transportation Safety Board, and employees elected to public office, shall be considered on unpaid. leave of absence, retaining their employment relationship with the Company, including their seniority rights and rank, during the term of such employment, and may assert their seniority rights as provided in Article 5, except they shall have thirty (30) days after release from such employment unless prevented by physical disability.

6.4 A leave of absence without pay will be granted to any employee who is drafted or is called into active military duty, in accordance with the provisions of the Viet Nam Era Veterans' Readjustment Assistance Act of 1974, which is administered by the Office of Veterans' Re—Employment Rights within the Labor-Management Services Administration of the federal Department of Labor. The employee's salary will be paid through his last day worked, and payment will be made for vacation earned but not taken up to the effective date of the leave.

6.5 A leave of absence without pay will be granted to an employee for the purpose of military reserve training. Such leave will be granted for the length of time necessary to complete the training, but not to exceed thirty (30) days in any one governmental fiscal year, which is July 1 through June 30.

ARTICLE 7

BULLETINING AND VACANCIES

7.1 New positions, and positions which have been temporarily vacant for more than two (2) months, or which it is reasonably expected will be temporarily vacant for more than two (2) months (excluding vacation vacancies), shall be bulletined as permanent vacancies. When such permanent vacancies occur they shall be bulletined within six (6) days to all employees, by means of a bulletin showing the location, hours of assignment general duties, weekly rest days and rate of compensation. The bulletin will be posted for a period of six (6) days, with the date and hour the bulletin closes to be specified. A copy of all bulletins will be furnished to the General Chairman; applications may not be withdrawn after the bulletin closes.

7.2 Application shall be made in duplicate, addressed to the officer issuing the bulletin, with a copy to the General Chairman, and shall be personally signed by the applicant.

7.3 Should more than one position be bulletined at the same time, employees may apply for any and all of them, but must indicate the order of preference in writing, and will be assigned to only one (1) position in accordance with stated preferences and respective seniority rights.

7.4 Temporary vacancies may be bulletined as outlined above if the vacancy is expected to exceed thirty (30) days. For temporary vacancies of not more than thirty (30) days, furloughed employees may be used to fill such vacancies. Furloughed employees who are used to fill temporary vacancies will be recalled for such vacancies in seniority order. All temporary assignments will cease on the return of the absent employee(s) and all employees holding temporary assignments will revert to their regular assignments.

ARTICLE 8

ABOLISHMENT NOTICES

8.1 Not less than five (5) working days' notice shall be given the employees affected and the General Chairman before abolishment of a permanent position. The provisions of paragraphs 8.2 and 8.3 shall constitute an exception to such requirement.

8.2 Rules, agreements, or practices, however established, that require advance notice to employees before abolishing positions or making force reductions are hereby modified to eliminate any requirement for such notice under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire, or labor dispute other than as covered by paragraph 8.3, provided that such conditions result in a suspension of the Company's operations in whole or in part. It is understood and agreed that such force reductions will be confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that

notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours' pay at the applicable rate for his position. If an employee works any portion of the day, he will be paid in accordance with existing rules. When the emergency no longer exists, employees furloughed because of the emergency will be promptly permitted to return to duty.

8.3 Rules, agreements, or practices, however established, that require advance notice before positions are abolished or forces are reduced are hereby modified so as not to require advance notice where a suspension of the Company's operations in whole or in part is due to a labor dispute between the Company and any of its employees.

ARTICLE 9

ATTENDING COURT, HEARINGS, JURY DUTY

9.1 When by request of the Company, employees covered by this Agreement are used as witnesses at inquests or suits brought or defended by Company, or other Company business, they will be paid for actual time lost and reimbursed actual expenses.

9.2 Employees who serve on jury duty will be paid the difference between the amount paid by the Court, excluding expenses, for such service, and the amount of their normal straight-time pay that would otherwise have been earned. No pay will be granted to employees for this purpose that are already on vacation, leave of absence, furlough or a paid holiday. Time paid or jury duty leave will not be included in the computation of overtime.

ARTICLE 10

BEREAVEMENT LEAVE

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

10.2 For purposes of this policy, the immediate family is defined as the employee's spouse, child, parent, parent-in-law, stepparent, stepchild, grandchild, brother, sister or grandparent.

10.3 The days of leave for which an employee will 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, attending the funeral. No pay will be granted to employees for this purpose that are already on vacation, leave of absence, furlough or paid holiday. Time paid for bereavement leave will not be included in the computation of overtime.

ARTICLE 11
HOLIDAYS

11.1 The Company recognizes the following days as paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve Day, Christmas Day, New Years Eve Day and four (4) Personal Days.

Personal days are not intended to be used as sick days and must be approved by supervision at least 48 hours in advance. In case of emergency the carrier will consider allowing personal days with less than 48 hours notice. Needs of the Carrier should be considered when scheduling personal days.

All Holidays observed will be on the day officially observed in Pennsylvania.

11.2 Holiday pay is paid in addition to earned wages, and is computed as one (1) straight-time day's pay at the rate of the employee's normal assignment. To be eligible for holiday pay, an employee must have worked his last workday before the holiday, as well as his first workday following the holiday. Employees who are on vacation or bereavement leave on those days are considered to have met this requirement, and are eligible for holiday pay. An employee required to work on a holiday will receive time and one-half (1-1/2) pay for all hours actually worked.

ARTICLE 12
VACATIONS

12.1 Employees who qualify will receive paid vacation time on the following schedule:

After one (1) year service	2 weeks	(10 days)
After seven (7) years service	3 weeks	(15 days)
After eighteen (18) years service	4 weeks	(20 days)
After twenty-five (25) years service	5 weeks	(25 days)

Vacation time cannot be accumulated from year to year, and there will be no pay for vacation in lieu of time off.

12.2 To be eligible for vacation pay, an employee must have earned one hundred twenty (120) vacation credits in the preceding calendar year. One (1) credit is earned for each tour of duty an employee performs compensated service for the Carrier. A tour of duty shall mean the performance of at least four hours of work during a work day.

12.3 An employee who has earned the minimum number of credits to qualify for vacation pay, will receive one (1) weeks' pay at the normal assignment rate for every week to which he is entitled.

12.4 Vacation requests from those who qualify in a given calendar year, must be submitted in writing to the employee's department supervisor no later than January 31st. of each year. Those employees with the greater amount Of Company service will have priority if duplicate requests for the same vacation times are received. When submitting requests, employees should include at least three (3) choices in case of duplicate requests.

All vacations will commence at the beginning of the tour of duty for the employee's designated work week and continue as consecutive week(s). Employees covered by this agreement may take one week (5 days) of their earned vacation, less than one full week at a time, under the following conditions: The days must be scheduled and approved by supervision at least 48 hours in advance. The carrier will not be required to pay premium time to fill vacancies caused by the use of random vacation days. The Carrier may consider allowing the use of single vacation days if an employee is sick and cannot work. However the Carrier reserves the right to request a doctor's excuse when the employee requests to use a single day vacation for illness.

Employees covered by this agreement are encouraged to cooperate with management and their fellow employees to cover random vacation days at the straight time rate of pay.

ARTICLE 13

DISCIPLINE

13.1 Hearing An employee who has established seniority under this Agreement shall not be disciplined without just cause. An employee who is charged with an offense shall be afforded a fair and impartial hearing. Suspension in proper cases pending a hearing, which shall be prompt, and in cases not requiring discipline as severe as dismissal, shall not be deemed a violation of these rules.

13.2 Notice Reasonable advance notice of a hearing shall be given to an employee in writing and such notice shall clearly specify the precise charge.

13.3 Time Hearing Held The hearing shall be held within ten (10) days from the date charged with an offense or held from service, whichever is the earlier. No charge shall be made that involves any alleged offense of which an officer of the Company has knowledge thirty (30) days or more, except that in cases where the employee is subject to trial in the courts, the Company may withhold making a charge on the offense for which the employee is tried until not more than thirty (30) days after the court's determination.

13.4 Witnesses and Representation The employee shall be given a reasonable opportunity to secure the presence of necessary witnesses and representation if desired. The Local Chairman shall be permitted to attend the hearing without loss of pay.

13.5 Decision Written decision regarding the discipline administered will be given to the employee within fifteen (15) days from the date the hearing is completed. If an employee is suspended, the suspension shall date from the time taken out of service pending the hearing.

13.6 Transcript If discipline is assessed; a copy of the transcript of the hearing shall be furnished at the time of the decision, if requested.

13.7 Appeal If the decision is not satisfactory to the employee or his representative, it may be appealed in the regular order of succession up to the highest officer of the Company designated to handle such matters. The initial appeal must be made within thirty (30) days from the date of receipt of advice of the discipline administered. Subsequent appeals must be made within thirty (30) days from the receipt of decision by the preceding designated officer. A decision on the appeal shall be rendered in writing within thirty (30) days of receipt of the appeal. Following decision by the Company's highest designated officer, the provision of Article 14.3 of this Agreement shall apply.

13.8 Conference Upon request by either party, a conference shall be held within thirty (30) days from receipt of appeal. If a conference is held, the thirty (30) day time limit specified in Paragraph 12.7 of this Article shall date from the close of conference.

13.9 Exoneration If in the final disposition of the case the decision or award is in favor of the employee, his record shall be cleared or modified in accordance with the decision or award. If suspended or dismissed, the employee shall be reinstated with all rights unimpaired and compensated for all time lost less earnings made in other employment during time out of service.

13.10 Reinstatement When an appeal under Paragraph 13.7 is pending, an employee who has been dismissed will not be reinstated without agreement between the Company and the General Chairman. In cases of reinstatement by agreement under this Paragraph only, the employee will be permitted to displace in accordance with the provisions of Article of this Agreement unless otherwise agreed between the Company and the General Chairman.

13.11 Authorized Representative An employee may be represented at any hearing or appeal by one or more duly authorized representatives; however, nothing in this rule prohibits an employee from presenting his own case personally at any hearing or appeal. If any employee elects to represent himself, the duly authorized representative of the IAM shall be permitted to be present during the hearing or appeal.

13.12 Postponements The time limits set forth in this Article may be extended by agreement in writing between the Company and the employee or his representative.

13.13 Waiver of Hearing An employee may be disciplined by reprimand or suspension without a hearing if, prior to the hearing, the employee and the appropriate officer of the Company agree in writing to the responsibility of the employee and the discipline to be imposed. The employee shall have the right to have his representative present at any conference at which the employee may waive his right to a hearing. Discipline imposed in accordance with this Paragraph shall be final with no right of appeal.

13.14 Unjust Treatment An employee who considers himself unjustly treated shall have the same right of hearing and appeal as provided herein. His grievance must be presented in writing, either directly or through his representative, to the appropriate officer of the Company, designated in accordance with Paragraph 14.7, within thirty (30) days from the date of the occurrence on which such grievance is based.

13.15 Order of Appeal The regular order of succession for the appeal of decisions rendered by an officer of the Company under this Article will be designated by written notice to the General Chairman but in no event shall the Company require that an appeal be made to the same officer over whose name the decision was rendered.

ARTICLE 14

CLAIMS AND GRIEVANCES

14.1 All claims and grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Company designated to receive them, within thirty calendar days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within thirty calendar days from the date it is presented, notify the employee or his representative of the reason(s) for such disallowance. If not so notified, the claim and grievance shall be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims and grievances.

14.2 If a disallowed claim and grievance is to be appealed, such appeal must be taken to the highest designated officer of the Company within thirty (30) calendar days from the receipt of notice of disallowance. In all cases, the representative of the Company shall be notified within this thirty day period of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employee(s) as to other similar claims and grievances. It is understood, however, that the parties may by written agreement, at any stage of the handling of a claim and grievance on the property, extend the thirty (30) calendar day period for either a decision or appeal, up to and including the final appeal on the property.

14.3 The procedure outlined in paragraphs (a) and (b) pertaining to appeal by the employee and decision by the Company shall govern in appeals taken to each succeeding officer except in cases of appeal from the decision of the highest officer designated by the Company to handle such disputes. All claims and grievances involved in a decision by the highest officer shall be barred unless, within six months from the date of said officer's decision, proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 153 Second of the Railway Labor Act. It is understood, however, that the parties may by written agreement extend the six month period referred to in this paragraph.

14.4 A claim may be filed at any time for an alleged continuing violation of any provision of this Agreement and all rights of the claimant(s) shall, under this rule, be fully protected by the filing of one claim and grievance based thereon, as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than thirty (30) calendar days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

14.5 Representatives of the organization may file and prosecute claims and grievances for and on behalf of the employees it represents. This rule does not obligate the Company to refuse permission to an individual employee to present his own grievance. The effect of this rule in such a case is to require that the General Chairman or his designee be permitted to be a party to all, conferences, negotiations, or hearings between the grievant and the representative(s) of the Company.

14.6 This Article shall not apply to requests for leniency.

14.7 The Company will designate the officers authorized to receive claims and grievances and to hear any appeal of claims and grievances under this Article by written notice to the General Chairman but in no event shall the Company require that an appeal be made to the same officer over whose name the decision was rendered.

ARTICLE 15

INSURANCE COVERAGES

15.1 Commencing with the first day of the month after completion of three month of employment with the Company, the Company will pay the full cost of health and dental premiums for the employee for the level of health and dental benefits, or reasonable equivalent, currently provided to employees permanently assigned to the positions of machinist and machinist helper, during the term of the Agreement. A copy of the health and dental benefit plans will be provided to each employee. Employee contributions for family coverage will be a weekly amount (currently \$.74 per week for 2008) based upon the Genesee & Wyoming corporate medical plan and may be increased annually or at contract renewal time starting with plan year 2009. Premiums paid by the employees for family coverage shall not exceed \$75 per month during the life of this agreement. The annual percentage increase in employee's contribution, for family coverage cannot exceed the annual Medical Rate Development Worksheet as established by and independent insurance advisor group.

Since there has already been an adjustment for 2008, we do not anticipate any additional increase in employees' contribution through the remainder of 2008. However, based on the Medical Rate Development Worksheet, we will only make annual adjustments but we may delay the increase as calculated from the Medical Rate Development sheet to our renewal time of August 1, 2009 instead of January 1, 2009.

15.2 The Company will pay the cost of the health and dental plans long as the employee performs at least one (1) day's service during the month to be covered, provided that the Company shall continue the payment of health and dental insurance premiums for up to three months while an employee covered by this Agreement is on leave of absence due to disability. Should an employee fail to qualify for coverage during a calendar month, he will be afforded the ability to continue coverage under the Company's health and dental plans by paying the premium cost. One day's service shall be deemed to mean the same thing as "tour of duty" as that is defined under Paragraph 12.2.

15.3 After six months of employment with the Company, the Company will pay the full cost of life insurance premiums for the level of life insurance benefits, or reasonable equivalent, currently provided to employees permanently assigned to the positions of machinist and machinist helper, during the term of this Agreement. The Company shall have the right to determine, in its discretion, the source through which such benefits are provided. A copy of the insurance plan shall be provided to each employee.

ARTICLE 16

MEDICAL EXAMINATIONS

16.1 Should employees covered by this Agreement be required to take medical examinations by Company—designated physician(s), such examinations shall be at Company expense and shall not be more frequent than once each year, unless in the opinion of the Company, the employees' health or condition is such that an examination should be made for the purpose of informing them of disability or illness and to determine if the employees are able to perform service. The physician(s) shall promptly prepare a written report showing in detail the findings as to the employee's condition and a copy of this report shall be given to the employee, and at his request, the employee's representative.

16.2 An employee may schedule a medical examination with a physician of his choice and at his expense for the purpose of demonstrating that he is able to perform service. The physician shall promptly prepare a written report showing in detail the findings as to the employee's condition and a copy of the report shall be given to the designated Company representative.

16.3 If an employee has been furloughed for more than thirty (30) days and is recalled or rehired, he shall be required to pass a medical examination (including drug and alcohol testing).

16.4 In the event that written reports of the employee's and the Company's physicians do not agree as to the employee's condition, arrangements may be made for his examination by a third and non-participating physician. If possible, the selection of the third physician shall be made by the two physicians, but in the event of failure to agree upon such third physician, the selection shall be made by the employee or his representative and the designated representative of the Company. An opinion concurred in by two of the three physicians shall be conclusive and binding on all parties. The fee of the third physician shall be borne equally by the employee and the Company. Any attending expenses shall be similarly divided.

16.5 Whenever it is necessary under this Article to select a third and non—partisan physician, he shall be given a copy of the written reports made by the employee's and the Company's physicians.

16.6 Where an employee has been disqualified for active service hereunder, he shall be granted a leave of absence by the Company and thereafter may, within reasonable intervals, request re—examinations when he has reason to believe he has recovered sufficiently to resume work.

ARTICLE 17

MISCELLANEOUS

17.1 Based upon computer capacity, payroll deductions are available to all permanent full--time employees who execute a suitable written deduction authorization for the following purposes:

- a. Periodic Union dues, initiation fees, assessments and insurance premiums where included in monthly dues (not including fines and penalties) payable to the Union in accordance with a letter of understanding executed by the parties and attached hereto.

- b. Direct checking and savings deposit accounts with financial institutions which will be specified by the Company in a memorandum to employees.
 - c. United Way Fund.
 - d. Other purposes as from time to time designated by the Company.
 - e. Machinists Non-Partisan Political League.
- 17.2 Employees covered under this agreement will be eligible to receive eighty five dollars per calendar year toward the purchase of one (1) pair of steel toed safety shoes that meet or exceed the requirements by GWI corporate safety.
- 17.3 Training: Each employee covered by this agreement may be required to attend up to ten (10) days of company sponsored training per year. All customary expenses including travel, lodging and meals will be paid by the carrier. Mileage will be reimbursed using the I.R.S. determined rate for mileage allowance for the date of travel.
- When an employee must travel to a training class on his or her off day: Employees will be compensated for time traveling to training sessions up to four (4) hours at the straight time rate to classes in the NY/PA region or equivalent travel outside the region. Employees will be compensated eight hours at the straight time rate when it may be necessary to fly or drive to a training class that would be considered outside the NY/PA region or equivalent distance.
- 17.4 Carrier agrees to reprint the new agreement and provide each member as well as the organization with a copy.
- 17.5 At the beginning of the first full week of the first month after ratification the Carrier agrees to pay the weekly cost of uniform rental up to \$7.00 per week for each employee covered by this agreement. Any costs that exceed the \$7.00 cap will be the responsibility of the employee. The excess amount will be deducted bi-weekly from the employees' wages. The Carrier reserves the right to select the vendor who will supply the uniform service.

ARTICLE 18

WAGES AND BENEFITS

- 18.1 Basic daily wages are increased as follows:
- Effective at signing each machinist covered under this agreement will receive \$.67 per hour increase in base pay. New machinist base rate will be \$19.96 per hour
- Full retro pay will be granted from July 1, 2007 for each employee covered by this agreement at a rate of .035% of the employees applicable wage rate.

July 1, 2008 Increase machinist base rate by \$.59 per hour to \$20.55
July 1, 2009 Increase machinist base rate by \$.62 per hour to \$21.17
July 1, 2010 Increase machinist base rate by \$.64 per hour to \$21.81
July 1, 2011 Increase machinist base rate by \$.66 per hour to \$22.47

18.2 Base rates on which such increases will be based are as follows:

Machinists	\$19.29
Helper	90 % of Machinist Rate

18.3 Wage increases shall be provided to Machinist/Helpers in accordance with the Training Program outlined in the Letter of Understanding attached to the Agreement.

18.4 Lead Machinist will be paid a premium of \$.50 above the regular rate of machinist. The Lead Machinist premium will not be used to calculate future wage increases.

18.5 Lead Machinist will be paid a premium of \$1.00 above the regular rate of Machinist when filling in for a supervisor, which includes directing and assigning work to other employees. This premium will be considered as compensation to the affected employee for accepting additional responsibility in managing the shift.

18.6 401(k) SAVINGS PLAN Effective January 1, 2009

a) Any employee who is covered by the collective bargaining agreement may contribute to the Genesee & Wyoming Inc. 401(k) Savings Plan (the "Plan") beginning the first quarter following the date of hire.

b) Employees may participate at the same terms as Corporate Genesee & Wyoming Inc. Employees under the Plan.

c) The Company will make matching contributions to the Employees who elect to defer compensation and have savings and investment contributions made after they have performed one year of service. The matching contributions will be 100% of the first 4% of the Employee's salary deferral for each year.

d) The Plan is intended to be a qualified plan within the meaning of Section 401 of the Internal Revenue Code.

ARTICLE 19
EFFECT AND CHANGES

19.1 This Agreement shall become effective upon signing and is in full and final settlement of notices served upon the Buffalo and Pittsburgh Railroad Company by the International Association of Machinists and Aerospace Workers on or about 05/30/08

19.2 This Agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act as amended.

19.3 The parties signatory hereto shall not serve nor progress prior to September 1, 2006 (not to become effective prior to January 1, 2007) any notice or proposal for changing any provisions contained herein.

Mr. Brian K. Orwan
General Chairman

David Collins
President

Eugene Evans
V.P. Mechanical

Signed at of Butler, PA this 30 day of May 2008.

APPENDIX A

UNION SHOP

1. All employees covered by the Agreement to which this Appendix is attached shall, as a condition of their continued employment, become members of the organization party to that Agreement representing their craft or class within sixty calendar days of the date they are first appointed to a permanent position as such employees after the effective date of that Agreement, and thereafter shall, remain members in good standing in such organization.

2. (a) Employees who retain seniority under the rules and working conditions provided in the Agreement to which this Appendix is attached who are regularly assigned or transferred to full-time employment not covered by that Agreement, or who are furloughed on account of force reduction, will not be required to maintain membership where required by Section 1. of this Appendix as long as they remain in such other employment or furloughed, but they may do so at their option. Should such employees return to service covered by the Agreement to which this Appendix is attached, they shall, as a condition of their continued employment subject to Section 1 above, be required to become and remain members in good standing in the organization representing their craft or class within thirty days from the date of their return to such service.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces shall not be terminated by reason of any of the provisions of this Appendix, but such employees shall, upon resumption of employment covered by the Agreement to which this Appendix is attached, be covered by Section 1 of the Appendix.

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

4. (a) The Company will furnish the organization information requested by the General Chairman with respect to the employment status of employees in the craft or class represented by it, and which is reasonably necessary for the administration of this Appendix. The organization will notify the Company in writing of any employee who, by reason of failure to comply with the terms of this Appendix, is not entitled to continue in employment. Upon receipt of such notice, the Company will, as promptly as practicable, but within ten calendar days of such receipt, so notify such employee in writing by certified mail, return receipt requested, or by personal delivery evidenced by receipt. A copy of such notice shall be given to the organization. Any such employee who disputes the fact that he has failed to comply with the terms of this A shall, within a period of ten calendar days from the receipt of such notice, request the Company in writing to accord

him a hearing. Upon receipt of such request, the Company shall set a date for hearing which shall be held as soon as possible and within ten calendar days of the date of receipt or request therefore. Notice of the date set for hearing shall be promptly given the employee in writing by certified mail, return receipt requested, or by personal delivery

evidenced by receipt. A copy of such notice of hearing shall be given to the organization and the organization shall attend and participate in the hearing. The receipt by the Company of a request for hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the Company is rendered. If such employee fails to request a hearing as provided herein, the Company shall proceed to terminate his employment on the basis of the record created by the foregoing procedures, and seniority in that craft or class not later than thirty calendar days from receipt of the above-described notice from the organization, unless the Company and the organization agree otherwise in writing.

(b) The Company shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Appendix and shall render a decision accordingly. Such decision shall be rendered within ten calendar days of the hearing date and the employee and the organization shall be promptly advised thereof. If the decision is that the employee has not complied with the terms of this Appendix, his employment and seniority in that class or craft shall be terminated within ten calendar days of the date of said decision, unless the Company and the organization agree otherwise in writing. If the decision of the Company is not satisfactory to the employee or to the organization, it may be appealed directly to the highest officer of the Company designated to handle such appeals. Such appeal shall be taken within nine calendar days from receipt of the decision appealed from, and if taken, shall operate to stay action on the termination of employment, until the decision on appeal is rendered. The Company shall promptly notify the other party in writing of any such appeal. The decision on such appeal shall be rendered within ten calendar days of the date the appeal is taken, and the employee and the organization shall be promptly advised thereof. If the decision on such appeal is that the employee has not complied with the terms of this Appendix, his employment and seniority in that class or craft shall be terminated within ten calendar days of the date of said decision, unless the Company and the organization agree otherwise in writing. Such decision on appeal shall be final and binding unless within seven days thereof the organization requests in writing that the decision be reviewed in joint conference by the President of the Company or his designee, and the Chief Executive Officer of the organization involved, or his designated representative. If such request is made, the decision on appeal shall be reviewed in such joint conference within seven days of the date such request is received, and any decision rendered within such seven day period shall be final and binding. If the decision on such review is that the employee has not complied with the terms of this Appendix, his employment and seniority in that class or craft shall be terminated within ten calendar days of the date of said decision, unless the Company and the organization agree otherwise in writing.

(c) Time limits specified in this Section may be extended in individual cases by written agreement of the Company and the organization.

(d) Provisions of discipline rules contained in the Agreement to which this Appendix is attached will not apply to cases arising under this Appendix.

(e) The General Chairman of the organization shall notify the Company in writing of the titles and addresses of its officers and representatives who are authorized to serve and receive the notices described in this Section. The Company shall notify the General Chairman of the organization of the titles and addresses of its officers or representatives who are authorized to receive such notices.

5. Notwithstanding anything in the Appendix, the Company shall not be required to terminate the employment of any employee until such time as the services of a qualified replacement are available. The determination of whether a qualified replacement is available shall be made jointly by the designated representative of the Company and the designated representative of the organization involved. The Company may not, however, retain any employee in service under the provisions of this Section for a period in excess of thirty calendar days from the date of the decision from the last appeal taken. Employees whose service is extended under the provisions of this Section shall not, during such extension, retain or acquire any seniority rights.

6. An employee whose employment and seniority in a craft or class is terminated pursuant to the provisions of this Appendix shall have no time or money claim by reason thereof.

APPENDIX B

DUES DEDUCTON

1. It is agreed that the Company will, in accordance with and subject to the terms and conditions of this Addendum, deduct from the wages due to each employee represented by the Union from whom it receives a valid written wage assignment, described in Section 2., an amount each month during the continuance in effect of his assignment, which shall be equal to the aggregate of the amounts to be paid by such employee to the Union for periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such Union.

2. No such deductions as fixed by Section 1. shall be made from the wages of an employee until after execution by the employee and delivery by he Union to the Company of a written wage assignment in a manner and form similar to that provided in Attachment "As", which is made a part hereof. The wage assignment shall be revocable and the revocation shall be executed on a form similar to that appearing in Attachment "3", which is made a part thereof.

The assignment and revocation form are to be furnished by the Union without expense to the Company, in the form designated by the Company.

The Company shall have no responsibility or obligation whatsoever in connection with the procurement and the execution of such forms by employees and the Union shall arrange for the delivery of the executed forms to the Company. The necessary assignment and revocation forms shall be delivered, with the Master Deduction List hereinafter provided for, to the payroll—making office of the Company not later than the 16th day of the month in which the deduction, or termination of deduction, is to be made effective by the Company.

Where the employee submits a form similar to the Wage Assignment Revocation (Attachment "B signifying his intent and desire to revoke the Wage Assignment Authorization previously submitted by him, to the payroll-making office of the Company not later than the 16th day of the month, the Company will accept it and arrange for the discontinuance of the deduction thereafter.

3. he General Chairman of the Union shall furnish to the payroll-making office the name and address of the Secretary—Treasurer authorized to sign the Master Deduction List, together with three (3) original signatures of the Secretary—Treasurer and advise promptly in the event of any change in the name or mailing address of the Secretary—Treasurer.

4. Deductions as provided for herein will be made by the Company in accordance with the Master Deduction List furnished to t by the Union. The Secretary—Treasurer- of the Union shall furnish a Master Deduction List for all members who have authorized such deductions, showing the amount of the regular monthly deduction for each member. The Master Deduction List shall be prepared in the form and shall contain the information specified in Attachment "C", which is made a part hereof. Only one copy is needed by the Company. The Master Deduction List should reach the payroll—making office no later than the 16th of the month following the effective date of this Agreement. The Secretary—Treasurer of the Union will maintain a copy of the Master Deduction List and keep it updated for all changes. Employees should be shown in alphabetical order with their identification numbers. The name and complete mailing address of the Secretary—Treasurer to whom the remittance is to be mailed by the Company shall be shown on these lists.

5. The amounts contained in said Master Deduction List for individual employees shall, wherever possible, remain the same from one payroll period to the next. No deduction will be made for any employee for whom an entry on the Master Deduction List is incomplete, illegible or otherwise doubtful. Entries for individual employees may be considered incomplete unless the list contains the information required as specified in Attachment "C", which is made a part hereof.

It will only be necessary for the Secretary-Treasurer to furnish the payroll-making office each month information as to any change in the deductions from those shown on the Master Deduction List.

The reason for each change in deduction should be fully explained in the "Remarks" column, such as, New Authorization Form, Revocation, Omitted Deduction, Arrears, etc. In cases of Permanent Deduction, Special Assessments and Change in Permanent Deduction, the following abbreviations may be used: Perm. Ded., Spl. Assc., Change Perm. Ded. This is essential so that change may be made where necessary in the deduction file information as taken from the Master Deduction List. The amount to be deducted as established in the deduction file information will not be changed until there is a permanent change in the amount to be deducted each month, in cases of omitted items or non-permanent increases in the amount to be deducted, only the amount in excess of the regular deduction should be reported. In this manner the excess deduction will be dropped from succeeding reports, and only the regular deductions will be continued.

This information should be furnished to the payroll-making office no later than the 16th of each month, beginning with the month of _____. It should be reported on the same kind of form as used for the Master Deduction List", only one copy will be necessary.

6. Deductions will be made, to the extent of available earnings, each month beginning with coverage for _____ according to information shown on these lists. The deductions will be made only from earnings due the employees for the first payroll period of each month, which is the first period of the month which contains only earnings for the current month.

The Carrier will remit by check to the Secretary-Treasurer of the Union the total amount of the deductions on or before the 25th day of the succeeding month.

A machine-produced list, in alphabetical order showing amount deducted for each employee each month, will be forwarded to the Secretary-Treasurer along with the remittance. A copy of the list will be forwarded to the General Chairman. The absence of any employees from these lists will indicate such employees were not working or did not have sufficient earnings from which to make the deductions. Regular deductions will be made in subsequent periods to the extent of available earnings as long as the employee's name remains on the Master Deduction List.

No deductions will be accumulated or carried over from month—to-month for any reason whatsoever. In the event of any error by the Company, it shall be authorized to adjust it, advising all concerned accordingly. In the event of any error by the Company in the amount of its remittance to the Union, if such error is not otherwise adjusted prior to the dispatch of the remittance the following month, the Company will be permitted to adjust the amount of succeeding remittance to correct the error.

7. The Company will not make a deduction from the wages of any employee who does not have due to him the first payroll period of the calendar month an amount equal to the sum to be deducted in accordance with this Agreement, after first deducting, as priority deductions, amounts due in the following categories:

- (a) Federal, State and Municipal taxes,
- (b) Amounts held by orders of court by garnishment and attachments,
- (c) Amounts due the Carrier,
- (d) Prior Valid Assignments and Deductions.

8. Responsibility of the Company under this Addendum shall be limited to remitting to the Union amounts actually deducted from wages of the employees pursuant to this Addendum and the Company shall not be responsible to any employee for making deductions specified on a deduction list or for failure to do so. Any question arising as to the correctness of the amount listed and deducted shall be handled between the employee involved and the Union, unless the Company, recognizing a mathematical mistake by it, elects to make direct adjustment pursuant to the fourth Paragraph of Section 6 above.

9. No part of this Addendum shall be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee; likewise, no part of any other agreement between the Company and the Union shall be used as a basis for a grievance or time claim by or in behalf of any employee predicted upon compliance or failure to comply with the provisions of this Addendum.

10. The Union shall indemnify, defend and save harmless the Company from any and all claims, demands, liability, losses, or damage resulting from the making of this Addendum or from compliance or failure to comply with the provisions thereof.

11. In the event of any change in the representation of any craft or class of employees covered by the deduction lists submitted under this Addendum, this Addendum shall automatically terminate as to such employees from the date that the official notification is received from the National Mediation Board of such change. If the Union institutes any suit against the Company under this Addendum, said Addendum shall terminate immediately.

**LETTER OF UNDERSTANDING
ON SUBCONTRACTING**

In discussion to reach a labor agreement, the parties have agreed to reflect their understandings with respect to the subject of subcontracting in this letter. These understandings are as follows:

1. The Company may continue to subcontract work which it has subcontracted in the past. In addition, the Company may subcontract work which it is not economically feasible to perform at Butler, or work which is beyond the capacity or capability of the Company to perform within the Company's time frame.

2. The Company agrees to make every reasonable effort to perform work now being performed on the property by regularly assigned forces. The regular work of active employees will not be adversely affected by the performance of work by contractors working on B&P locomotives at a B&P shop facility.

3. The Company also agrees to provide advance notice to the General Chairman prior to subcontracting covered work in non-emergency situations, except as otherwise agreed upon request, a conference will be arranged to discuss Company subcontracting plans.

Dated: _____

**FOR INTERNATIONAL ASSOCIATION
OF MACHINISTS:**

**FOR BUFFALO & PITTSBURGH
RAILROAD, INC.**

LETTER OF UNDERSTANDING ON MACHINIST HELPERS TRAINING PROGRAM

The purpose and intent of this program is to establish a fair and consistent approach to train a Machinist Helper to become a Journeyman Machinist within twenty-four (24) months. This training will consist of, but is not limited to, on-the—job training by working along with a Journeyman Machinist, together with forty—eight (48) education lessons designated by the Chief Mechanical Officer covering diesel engines, locomotive trucks, air compressors, air brakes, FRA inspections, and welding. The Machinist Helper will also be required to attend various away—from-home classes pertaining to diesel engines and air brakes.

The costs of all the above training materials as well as transportation, meals and lodging when away from home, will be assumed by the Company.

This training will be presented over twenty-four (24) months, requiring two Railway Education lessons to be completed and turned in each month for grading. Upon satisfactory completion of the first twenty—four (24) lessons and twelve (12) months of actual service, the employee will be awarded a wage increase of \$1.00 per hour in addition the hourly compensation provided for a Machinist Helper under Article 18 of this Agreement.

The employee will then start the second twelve (12) month and must complete the remaining twenty-four (24) Railway Education lessons within this period. Upon satisfactory completion of the assigned lessons and twelve (12) additional months of actual service, the employee will be promoted to the rank of Machinist entitling him to take a position of the bottom of the Machinist seniority roster on the first day after the completion of twenty-four (24) months of actual service. Along with this promotion, the employee's hourly rate of pay will be adjusted to reflect the applicable wage rate of a Machinist under Article 18 of the Agreement.

Date: _____

FOR INTERNATIONAL ASSOCIATION OF MACHINISTS:

FOR BUFFALO & PITTSBURGH RAILROAD, INC.

SIDE LETTER OF UNDERSTANDING

This will reflect the understanding of the parties that Electricians will continue as in the past to perform daily FRA inspections, and to inspect, service and supply locomotives. Electricians will continue to perform minor mechanical repairs which are incidental to performing their duties as an Electrician. Electricians may also adjust and replace brake shoes as necessary. However, if a non-electrical defect is reported in connection with a daily FRA inspection by an Electrician, the repair will ordinarily be made by the Machinists craft.

A Machinist Helper will not be assigned to inspect locomotives without adequate training for this purpose.

Date: _____

**FOR INTERNATIONAL ASSOCIATION
OF MACHINISTS:**

**FOR BUFFALO & PITTSBURGH
RAILROAD, INC.**

INTERNATIONAL ASSOCIATION of MACHINISTS and AEROSPACE WORKERS

District Lodge No. 19
ROBERT I. REYNOLDS
President - Dir. Gen, Chairman
111 Park Road
Paducah, KY 42003
Telephone: (502) 898-4198
(502) 8984199
Fax: (502) 898-8414

REPLY TO: JAMES A. COKER
General Chairman
1642 Fairview Drive
Stockbridge, GA 30281
Telephone: (404) 474-1170
Fax: (404) 474-7357

SIDE LETTER NO. 1 — PROMOTION OF HELPERS TO JOURNEYMAN POSITION

March 14, 1995

Mr. Eugene R. Evans
Chief Mechanical Officer
Buffalo & Pittsburgh Railroad Co.
P. O. Box 1532
Butler, PA 16003

Dear Mr. Evans:

When a shortage of qualified Machinists exists, the Organization and the Carrier will review the qualifications of the senior Machinist Helper working. If the Organization and the Carrier agree that his/her qualifications are sufficient to equal one year of machinist training, he/she may be promoted.

The Machinist Helpers will only be promoted to a temporary Machinist's position in accordance with their relative seniority standing on the Helpers seniority roster.

He/she will be promoted to a temporary Machinist's position without losing his/her respective seniority; however, he/she will not establish or accumulate seniority as Machinist. Such employees will be placed on a "Promoted" seniority roster in the order of their promotion and will be set back in the reverse order of their promotion.

Promoted employees will receive the Machinist's rate of pay. Promoted employees may also bid on bulletined Machinist positions.

Employees promoted under provisions of this Agreement will be credited for all time worked as Machinists (excluding overtime) in computing their on—the—job training period. If such credited time results in completing their periods of training and they are still employed as a Machinist, they will be included on the seniority roaster for Machinists with seniority date in accordance with applicable provisions of the current working agreement.

No Journey Machinist will be furloughed as long as a Machinist Helper or Helpers is working in a promoted Machinist status.

Yours Truly,

James A. Coker
General Chairman

I Agree:

For the Carrier

INTERNATIONAL ASSOCIATION of MACHINISTS and AEROSPACE WORKERS

District Lodge No. 19
ROBERT I. REYNOLDS
President - Dir. Gen, Chairman
111 Park Road
Paducah, KY 42003
Telephone: (502) 898-4198
(502) 8984199
Fax: (502) 898-8414

REPLY TO: JAMES A. COKER
General Chairman
1642 Fairview Drive
Stockbridge, GA 30281
Telephone: (404) 474-1170
Fax: (404) 474-7357

SIDE LETTER NO. 2 — VACATION RELIEF POSITIONS

March 20, 1995

Mr. Eugene R. Evans
Chief Mechanical Officer
Buffalo & Pittsburgh Railroad Co.
P. O. Box 1532
Butler, PA 16003

Dear Mr. Evans:

This is in regard to our recent conversations concerning the interpretation and application of vacation relief positions.

Eight hours constitutes a day's work and that under no circumstances is any machinist allowed to work more than eight hours in any one twenty—four hour work day at the straight time rate.

All service over eight hours for any cause or under any circumstance must be paid at the overtime rate of pay.

Regular relief assignments must take the starting time, duties and work week of the position being filled. An employee working a vacation relief assignment must complete one assignment prior to assuming another assignment. Any assignment being filled would require the vacation relief worker to assume the regular scheduled rest days of the incumbent whose position is being filled.

For instance, a man is working a vacation relief position that works on the first shift Monday through Friday with Saturday and Sunday as rest days and he is assigned to fill the vacation of a man that works on first shift Saturday through Wednesday with Thursday and Friday rest days. After his regular work day on Friday he would come in on Saturday and start working the week of vacation of the employee he is replacing. The vacation relief man would work Saturday through Wednesday and then take off Thursday and Friday the rest days of the employee whose vacation he is filling. Then he would go back on his regular assignment on the first day after the off days which would be Saturday. Because his regular assignment is off on Saturday and Sunday he would

be off until Monday, a total of four (4) days in a row. In the two week period he worked ten (10) days and was off four (4).

If a man is working a vacation relief position that, works on the first shift Monday through Friday with Saturday and Sunday as rest days and is assigned to fill the vacation of a man that works on first shift Wednesday through Sunday with Monday and Tuesday as rest days; the vacation relief man would work his regular work days on Monday and Tuesday and start working the week of vacation of the employee he is replacing on Wednesday. The vacation relief man would work Wednesday through Sunday and then take off Monday and Tuesday the rest days of the man whose vacation he is filling. Then he would go back on his regular assignment on the first day after the off days which would be Wednesday. Because his regular assignment is off on Saturday and Sunday he would work Wednesday, Thursday and Friday and be off on his regular off days of Saturday and Sunday. In the two week period he worked ten (10) days and was off four (4).

If a man is working a vacation relief position that works on the first shift Monday through Friday with Saturday and Sunday as rest days and is assigned to fill the vacation of a man that works on second shift Wednesday through Sunday with Monday and Tuesday as rest days; the vacation relief man would work his regular work days on Monday and Tuesday and start working the week of vacation of the employee he is replacing on the second shift on Wednesday. The vacation relief man would work Wednesday through Sunday and then take off Monday and Tuesday the rest days of the employee whose vacation he is filling. Then he would go back on his regular assignment on the first day after the off days which would be first shift on Wednesday. Because his regular assignment is off on Saturday and Sunday he would work Wednesday, Thursday and Friday and be off his regular off days of Saturday and Sunday. In the two week period he worked ten (10) days and was off four (4).

It is not the intent of this agreement that the vacation relief man be used to spot fill vacancy unless they are on his regular assigned work days and shift.

Yours Truly,

James A. Coker
General Chairman

I Agree:

For the Carrier

LETTER OF UNDERSTANDING ON SICK LEAVE

It is understood and agreed that in the event of personal or family illness, an employee may utilize their personal days provided in the Paragraph 11 for the purpose of paid absence. The employee must advise the Company of his intent to use any of these days for this purpose as far in advance as possible, and in the case of personal illness at least two hours prior to the commencement of the shift from which he will be absent.

Dated: _____ 2004

FOR INTERNATIONAL ASSOCIATION
OF MACHINISTS:

FOR BUFFALO & PITTSBURGH
RAILROAD, INC.

DATE

DATE