

AGREEMENT

BETWEEN

THE MISSOURI & NORTHERN ARKANSAS RAILROAD

A Subsidiary of RailAmerica

AND

IT'S EMPLOYEES REPRESENTED BY

THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

AND TRAINMEN

Original Agreement Effective Date April 2000

Agreement Revised January 16, 2008

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PREAMBLE

Missouri and Northern Arkansas Railroad (M&NA or Company) recognizes the Brotherhood of Locomotive Engineers and Trainmen (BLET or Union), the designated representatives of which are signatory hereto, as the bargaining representative of train and engine service employees (conductors, engineers, and trainees in train and engine service) employed by the M&NA

The masculine gender wherever used herein shall be construed to include both masculine and feminine, and the singular context shall be construed to include both singular and plural, unless the context clearly indicates otherwise.

As used in this Agreement, emergency means an event that disrupts the normal flow of business on the M&NA, such as, but not limited to: Acts of God, train accidents, lack of locomotives, and lack of M&NA train and engine service personnel who are qualified and available to operate trains.

ARTICLE I

Scope

(a) Train and engine service employees shall perform any and all services under the direct control of the M&NA required for the make up of trains or the movement of cars and trains over and through M&NA's trackage. The operation of trains, locomotives, and any other motive power used for the make up or movement of cars and trains, including operation of new technology for switches will be considered the primary work of train and engine service employees. It is further recognized that train and engine service employees may from time to time be required to perform duties outside their primary duties such as, but not limited to, fueling locomotives, changing brake shoes, and conducting repairs to locomotives and cars. In the event any work is necessary for the operation of the railroad, or in the event of emergency, the company may assign such employees of the company as it deems necessary to perform such work, without regard to whether such work falls within this Scope clause. Nothing in this Agreement shall be interpreted as prohibiting other employees of the company from performing work covered by this Scope clause on a non-regular basis or on the same basis as they have performed such work in the past.

(b) Employees covered by this Agreement shall be governed by all company rules, policies, practices, and procedures previously or hereafter issued or modified by the M&NA, which are not in conflict with the terms and conditions of this Agreement and which have been or are made available to the affected employees. Prior to changing any rule, policy, practice, or procedure, company representatives will meet with the local chairman to explain the change. Revisions will be numbered and posted on company bulletin boards. A book containing all current written rules, policies, practices and procedures in effect will be maintained in the general manager's office and available to employees upon request.

ARTICLE 2
Rates of Pay

(a) The rates of pay for employees covered by this agreement shall be as follows:

	1-1-06	1-1-07	1-1-08	1-1-09	1-1-10
Engineer	\$17.38	\$17.90	\$18.26	\$18.62	\$19.00
Conductor	\$12.75	\$13.13	\$13.40	\$13.66	\$13.93

In addition to the annual wage increase of two percent (2%) commencing January 1, 2008 as set forth above, all employees covered by this agreement are entitled to the benefits set forth in the RailAmerica Incentive Compensation Plan which became effective January 1, 2008.

(b) New hire employees will start at eighty percent (80%) of the pay received by employees already working in their respective craft. Within one-hundred-eighty (180) days from an employee's date of hire, or when it is deemed by management they are fully qualified to work independently on the M&NA Railroad, whichever occurs first, they will receive (100%) of the rate of pay. It is understood that the entry rate will be applicable to any guarantee payments a new hire employee may receive.

(c) In any payroll period where a company error results in an underpayment of \$50 or more, the company will issue a check for the underpayment within five (5) business days of notification to the Company. For errors under \$50 or where the employee is at fault, the error will be corrected in the subsequent payroll period.

(d) All employees working under this agreement will be guaranteed a forty – (40) hour work week. The guarantee will be offset by paid hours not worked, such as vacation, holidays, flex days, call and release time, bereavement leave, and jury duty. Any time an employee lays off for a non-compensated absence the guarantee will be void for that week. For any work performed under this agreement employees will receive the highest rate of pay for which they are qualified. Employees will receive one and one half times their straight time hourly rate for all hours worked in excess of forty straight time hours in a week.

(e) The company reserves the right to determine whether employees are qualified Footboard Yardmasters and designate a Footboard Yardmaster position on certain jobs. In addition to performing regular train and engine service duties, the individual so designated shall perform Footboard Yardmaster duties as defined by the Company. Footboard Yardmasters shall receive a premium of 25 cents per hour above the applicable rate listed in paragraph (a) of this Article. Footboard Yardmaster positions will be awarded to qualified employees in seniority order.

ARTICLE 3
Seniority

(a) The entire system of M&NA shall constitute a single seniority-district. Employees shall establish company seniority on the first day they perform compensated service in the transportation department for M&NA. In the event more than one individual established company seniority on the same date, they will be ranked on the appropriate roster by drawing lots. Employees will be awarded positions based on seniority and having successfully completed the training and examination requirements necessary for the position to be filled.

(b) The company shall maintain the "Official" seniority roster for train and engine service employees. The company shall post the roster on bulletin boards in home terminal locations on or about January 1 of each year. The employee or his duly authorized Union representative must present appeal of an individual's position or seniority date, in writing, within sixty (60) calendar days from the date posted. Once handled, an appeal will not be again presented in subsequent years unless the date or ranking has changed from the previous year. Once the appeal period has expired, and the General Chairman has handled all appeals to conclusion, and appropriate corrections made, the roster will be certified as correct and shall be the roster to be used for appeals and certification of future rosters.

(c) Seniority will control in determining vacation requests, furloughs, recalls, and assignments. An employee requesting a vacation will designate which period, whether for his total allowable vacation or a part thereof he desires to have considered first in accordance with the above. After all employees in the craft have been assigned one vacation period in accordance with the above, the next portion of vacations will be assigned. This process will continue until all available vacation has been assigned.

ARTICLE 4
Approval of Applications

Application for employment will be approved or disapproved without cause within a probationary period of one-hundred-eighty (180) days following the day the employee establishes seniority with the Company. Employees will not be covered by the discipline/investigation rules or grievance handling rules of this Agreement during the probationary period.

ARTICLE 5
Forfeiting Seniority

An employee, who has resigned or left the service of the Company of his/her own accord, shall forfeit his/her seniority rights and shall not be reinstated. If he or she shall be re-employed by the Company, his or her new seniority rights shall be established in accordance with the provisions of this Agreement. Prior to removing the name of an employee from the seniority roster the Company will notify the Organization of its intent to do so and such removal of seniority will be reviewed on a case by case basis.

ARTICLE 6
Reduction In Force

(a) When the workforce is reduced, such reduction or furlough shall be offered to employees in seniority order. Should there be insufficient volunteers; junior employees shall be furloughed in reverse order of seniority.

NOTE: Furlough shall be offered in seniority order provided sufficient junior employees are qualified to protect the service requirements. Otherwise, furlough will occur in reverse order of seniority.

(b) When the workforce is increased, furloughed employees will be offered recall in seniority order. A senior employee may request to remain in furlough status and pass the recall opportunity on to the next junior employee. If no junior employee is on furlough, or if all furloughed employees are being recalled, the recalled employee must report for duty within fourteen (14) days from (1); date such notice is received as evidenced by return register receipt or (2); letter is returned unclaimed to employing officer, in which latter event the date letter is postmarked at destination will establish date from which the fourteen (14) day period will run. A copy of the recall notice will be furnished to the General Chairmen. After an employee has received a recall notice, he/she must contact the Company within five (5) days and advise when he/she will return within the fourteen (14) day period described above. The recall notice will include a reference to this five (5) day requirement. Failure of an employee to return to service within this fourteen (14) day period will result in the automatic forfeiture of seniority.

(c) Furloughed employees are required to keep the Company currently informed of their address. Failure to do so or failure to report for duty within the time designated in the preceding paragraph will result in forfeiture of all seniority and job rights.

ARTICLE 7
Accepting Official Positions

(a) An employee who accepts an official position with the Organization or a supervisory or official position with the M&NA Railroad, RailAmerica, or any of its subsidiary companies will retain and continue to accumulate seniority in all crafts where seniority is held. Such employee who voluntarily or involuntarily leaves such position and who returns to the Company within seven (7) days thereof will be permitted to exercise seniority in accordance with the provisions of this Agreement.

(b) Failure of an employee to return to service following the expiration of the seven (7) days described in paragraph (A) above, or to make other arrangements with the approval of the General Manager – M&NA Railroad and the General Chairman – BLET, will be considered a forfeiture of seniority.

(c) After the effective date of this Agreement, employees who hold an official position with the Company as described above will be required to pay a seniority maintenance fee to the appropriate BLET Division. The above employees will cease to accumulate seniority if he/she fails to pay the maintenance fee, or becomes sixty (60) days past due. The General Chairman will give written notice to the company of an employee who becomes delinquent in their dues.

ARTICLE 8

Required Promotion to Engine Service

All employees subject to this Agreement are required to accept promotion to engine service. Employees are required to train and successfully pass all written and field examinations for qualification as a locomotive engineer. Such employees will be required to accept qualification in seniority order. Failure to successfully pass promotion to engine service will result in automatic forfeiture of seniority. Employees will be provided two attempts to successfully pass the required examination(s). If exceptional circumstances warrant, the General Manager and the General Chairman of the Organization may mutually agree to waive the time limit required to become a promoted engineer.

ARTICLE 9

Assignments

(a) Permanent vacancies shall be advertised by bulletin for seven (7) calendar days on company bulletin boards as provided herein. Bulletins advertising new assignment and permanent vacancies shall be posted at all locations where employees go on or off duty and shall include the following information:

- Assignment or job number
- On duty point for start of assignment
- Starting time
- Days off
- Days of assignment
- Closing time of bulletin
- Officer and location where bids are to be received
- Date assignment to take effect
- Description of assignment

(b) All permanent assignments will be rebid and go into effect at 0001 CST on the first Sunday of March, July, and November.

(c) Employees may bid any job for which they are qualified. Jobs will be awarded to the senior qualified employee submitting a preference for the assignment. When no bids are filed for a permanent vacancy, such vacancy shall be filled by the unassigned junior qualified employee at the location where the vacancy exists; if none, vacancy shall be filled by the unassigned junior employee at the location nearest by highway miles where the vacancy exists.

Note: Unassigned means an employee occupying a temporary assignment who has no permanent assignment, or an employee from the extra board. The highway miles referred to above are specified in the transportation matrix in Article 13, Section (b) of this Agreement.

(d) Permanent vacancies shall be defined as any newly established assignment, or any job that becomes vacant due to retirement, death, dismissal, re-assignment, injury, or an employee assuming another permanent vacancy, or other vacancies in excess of thirty (30) days. Temporary vacancies are those created by a regularly assigned employee being absent for less than thirty (30) days. Temporary vacancies will be filled, in the first instance, from the extra board headquartered at the location. Known vacancies of five days or more, but less than 30 days, will be filled, on a one time basis, by the senior extra board employee at the location requesting the assignment. If no extra board employee at the location requests the assignment, any extra board employee at any other location may request the assignment. Employees filling the vacancy will assume the conditions of the assignment.

(e) Employees who do not have access to bulletins due to vacation, layoff, sickness, or authorized leave shall be allowed to submit a timely bid upon return from leave for any position bulletined during the period of their absence. Such selection and bid must be made before performing any service. Employees shall be considered as having access to a bulletin if the Employee went on duty or off duty at a location where bulletins are posted during the bulletin period.

ARTICLE 10

Extra Board Work/Rest Initiative

(a) Employees will be assigned to work/rest cycles by the Carrier, in accordance with this agreement and rules governing the bidding process. A work/rest cycle (Appendix II) is defined as a predetermined number of consecutive working/available days (work cycle) followed by a number of consecutive rest days (rest cycle). A rest cycle is defined as a predetermined number of consecutive days during which an employee can be absent from work (regular days off). The ratio of working/available days to rest days for this board shall be 9 work/available days to 3 rest days.

(b) Employees called on duty beginning 12 hours before the start of a rest cycle (Start time 0600) who are scheduled to begin that rest cycle, upon completion of tour of duty will be tied up at their home terminal. The latest on-duty time will be one minute before the end of the individual employee's work cycle.

(c) An employee who desires to start his rest cycle 12 hours earlier than scheduled must inform the MNA Crew Management of such desire. In such cases he must give notice no less than 12 hours prior to the desired time off. Employee will be automatically marked back to service at the required time except as contained in paragraph (e) of this article. (It is understood that an employee who exercises (c) will be afforded the full 72 hours from time of mark off.)

(d) Except as provided for in (c), an employee on this work/rest extra board will be automatically marked off from this work/rest board during his assigned rest cycle and automatically marked up upon expiration of his rest cycle.

(e) Except as provided in (c), rest cycles will begin at 0600 hours or upon tie up from previous duty, whichever is later. Employees who choose to mark up before the expiration of the full rest cycle may do so by verbally notifying MNA Crew Management and marking up to the Supplemental Board.

(f) An employee returning from his rest cycle will be subject to call two hours prior to the end of his rest cycle for assignments that begin on or after the 0600 work cycle time.

(g) If the employee works into his rest cycle, he will be afforded the full 72 hours.

(h) Employees returning to work from a rest cycle or a supplemental board while on a rest cycle will be placed last out.

(i) Employees exercising seniority onto this extra board must displace the junior employee and will assume the work/rest cycle of the employee to which they displace.

(j) Issues and grievances related to this article should be immediately brought to the attention of the appropriate Local Chairman. The subject matter of the issues and grievances will be handled in an expeditious manner with MNA Management. Either party may call a review meeting to cover specific problems that may arise.

(k) Any existing extra board rest cycle program agreement is removed simultaneously with the effective date of this article.

(l) Prior to initial application of this article, the Company's representative(s) and the Organization's representative(s) will meet to discuss the "transition" in assigning rest days. Further, the Company's representative(s) and the Organization's representative(s) will meet to discuss the possible establishment of a board that may not conform to the 9x3 formula as found in Appendix II.

ARTICLE 11

Extra Boards/Supplemental Boards

(a) The company will establish such Extra Boards as it deems necessary and may establish Supplemental Boards at each extra board location. Employees will be called from such boards on a first-in, first-out basis. Employees on a Supplemental Board will be called only in circumstances where the Extra Board is exhausted.

(b) Employees will mark-up on the supplemental board based on their tie up time from the last shift of the workweek (first tied up, first on board). In the event two or more individuals desiring to place on the supplemental board tie up at the same time, they will be placed on the board among themselves in order of relative seniority.

(c) Employees placed on the supplemental board will not be considered available for call from the supplemental board within sixteen (16) hours of the regularly scheduled start time of their regular assignment when other employees are available to be called from the board. It is intended that employees will not be called from the supplemental board if doing so would cause the employees to lack legal rest or be unavailable for his/her regular shift.

(d) When employees' tie up and mark up time are the same, mark up time will take precedence. When employees mark up time is the same, the employee who has been off the longest will be placed ahead. When time off is equal, they resume the same positions as before they marked off

ARTICLE 12

Annulment/Abolishment of Assignments/Start Time Change

(a) The company has the option to temporarily annul, or change the start time of, an assignment without advertisement. In such case, the company may require the employee to report to another job provided the start time is no later than four hours after the start time of the annulled assignment. In the event the annulment or change is caused by business conditions, track problems, derailment or engine availability/problems of which the company had sufficient advance notice, the company will provide affected employees with at least two (2) hours notice. In all cases, the company will make reasonable efforts to notify employees of any temporary annulments or changed start times.

(b) The company may abolish an assignment or change its day(s) off. Affected employees who bid a job that will have a start or regular day off within the next twenty-four (24) hours will not have their weekly guarantee reduced. Employees who bid to Extra/Pool Board jobs within twenty-four (24) hours of notification will not have their weekly guarantee reduced. Notwithstanding the above, employees who are on assignments, including extra boards, who have their assignment abolished or have their days off changed will be allowed an exercise of seniority if requested.

(c) If the starting time of an assignment is changed or it is anticipated by the company that it will be changed by more than three (3) hours for a period of more than six (6) days the Employees then assigned to the position will be given the option of either bidding a different position or remaining on the position.

(d) Employees who do not receive sufficient advance notice that a job has been abolished or annulled and, as a result report to work, will receive two (2) hours pay if they are sent home or pay for actual time worked with a minimum of four (4) hours if they perform any work for the company.

(e) Employees will be compensated two (2) hours if they are called for duty and report, but are released without performing service. Employees released shall be returned to the board in their relative 1st out position.

ARTICLE 13
Travel/Transportation/Per Diem

(a) When employees use a personal vehicle to travel to assignments on the M&NA outside of their home terminal, they will receive a mileage allowance for the miles traveled to such assignment that exceeds their regular commute to their home terminal. The mileage allowance will be equal to the IRS rate then in effect. The intent of this section is to reimburse the person for expenses including in the use of such vehicle.

(b) Time spent in transportation on behalf of the company will be paid for as continuous time from the employee's home terminal. Travel times recognized for purposes of this section are as follows: *

	Kansas City	Harrisonville	Nevada	Carthage	Joplin	Springfield	Branson	Cotter	Batesville
Kansas City	0	45" 40 miles	1' 50" 98 miles	2' 45" 145 miles	3' 168 miles	3' 30" 191 miles	4' 30" 252 miles	6' 30" 325 miles	8' 30" 408 miles
Harrisonville		0	1' 15" 58 miles	2' 10" 106 miles	2' 30" 129 miles	3' 10" 152 miles	3' 50" 215 miles	5' 25" 286 miles	7' 15" 370 miles
Nevada			0	1' 49 miles	1' 25" 72 miles	2' 95 miles	2' 40" 156 miles	4' 15" 229 miles	6' 05" 313 miles
Carthage				0	30" 24 miles	1' 10" 68 miles	1' 45" 107 miles	3' 20" 180 miles	5' 10" 265 miles
Joplin					0	1' 20" 74 miles	1' 55" 114 miles	3' 30" 187 miles	5' 20" 271 miles
Springfield						0	50" 44 miles	2' 25" 117 miles	4' 15" 202 miles
Branson							0	1' 40" 74 miles	3' 50" 176 miles
Cotter								0	2' 15" 88 miles
Batesville									0

* As used in this table, (') denotes hours and (") denotes minutes.

(c) Employees who are tied up away from their home terminal and required to layover will be returned to duty no later than sixteen (16) hours from their tie up time. If they are not so returned to duty, they will receive the straight time hourly rate after sixteen hours until they are returned to work, up to a maximum of eight hours.

(d) When taking lodging for rest periods, the employee will be allowed a per diem at the following rates: (1) for lodging periods of twelve (12) hours or less, \$10; (2) for each succeeding twelve (12) hour period, or part thereof, an additional \$10.

(e) In cases of emergency employees may be required to drive their personal vehicle to other locations.

ARTICLE 14 **Employee Benefit Package**

(a) Employees' holidays, vacation, bereavement leave and jury duty will be applied under the provisions as set forth in the RailAmerica Employee Handbook.

Note: To be eligible for holiday pay an employee must have worked the last regularly assigned workday before the holiday, the day of the holiday (if it is not a scheduled rest day or job annulment by the Company) as well as the first normally assigned workday following the holiday. Employees who do not work must be available the entire calendar day before the holiday, the entire calendar day of the holiday and the entire calendar day following the holiday, to be eligible for holiday pay. An employee required to work on a holiday will receive time and one-half for service performed, in addition to normal holiday pay, if the qualification requirements for a holiday have been met. An employee who is required to work on a holiday after he has already accrued 40 hours in the work week will receive double time for service performed, in addition to normal holiday pay, if the qualification requirements for a holiday have been met. Hours worked in a shift that starts on a holiday will be considered holiday work.

(b) Employees shall accrue vacation on a current basis as set forth in the RailAmerica Employee Handbook. Five days accrued will be treated as one calendar week of vacation.

(c) Carrier will make available on the same terms as they apply to other employees of the MN&A and other subsidiaries, a 401(k) plan with a company match. Employees covered by this Agreement must meet the Plan eligibility requirements to participate.

(d) The Company shall provide insurance benefits which are contained in the plans that the Company participates in. These benefits will be applied on the same terms as they apply to other employees of the M&NA and other subsidiaries and as they may be amended from time to time. A booklet outlining the coverage available can be obtained from the General Manager's office. Employees must meet the qualifying criteria described in the plans before they become eligible to receive benefits. Employees should refer to the plan documents for exact details of their insurance benefits. This insurance is only effective as

long as the employee is eligible for insurance and becomes and remains insured as provided in the applicable policy.

ARTICLE 15

Flex Days

(a) Flex Days will be in lieu of sick days as outlined in the RailAmerica Employee Handbook. Flex Days will be accumulated at a rate of .5 days per month. Accrued Flex Days may be used by an employee to take personal days off for various reasons, provided the employee gives the company a minimum forty-eight (48) hours advance notice to the designated company officer (at the discretion of the company an employee may be allowed to mark off for a Flex Day with less than forty-eight (48) hours notice). Employees shall receive eight hours pay at the pro rata rate of their assignment for each Flex Day taken. Employees will be required to take an accumulated Flex Day, if any for each day an employee lays off sick or for a family medical emergency.

(b) Flex Days may be accumulated from one calendar year to the next to a maximum of twelve (12) days at any given time. Further accumulation shall be suspended until the number of days accumulated is reduced to less than twelve through utilization or buy back.

(c) Employees may request a buy back for any number of accumulated days. The request for a buy back must be submitted in writing by employees no later than November 15th, with payment to be made on the last payday before the Christmas holiday. An employee may also request to buy back Flex Days when the maximum number of days has been accumulated in accordance with paragraph (b) above. Such buy back shall only occur once per year. The company will buy back Flex Days at 100% of the employee's rate for the employee's assignment. Each Flex Day bought back by the company will be eight hours times the employee's hourly rate.

(d) Flex Days may be granted or denied consistent with the needs of service, at the discretion of the company. Employees are encouraged to schedule Flex Days with the company sufficiently in advance with the understanding not all employees can be granted the same day off, unless the company shuts down its operation on what would otherwise be a work day or a holiday.

ARTICLE 16

Rules Exams, Classroom Training and Attending Company Business

New Hire / Conductor Training

(a) The company will provide the following for conductor training:

1. Sufficient classroom training.
2. Suitable company provided lodging.
3. Mileage reimbursement at IRS rate if held at away-from-home terminal location.

4. An employee who is required to train at a location outside of their assigned home terminal will be compensated an allowance of \$30 for each 24-hour period.

(b) After successful completion of classroom training, conductor trainees will be placed on an OJT (On the Job) schedule. The company will create a *new hire schedule* giving each new employee sufficient training until it is determined by management they are qualified.

(c) Conductor trainees will be assigned a home terminal location for the duration of their training and will be paid mileage at the IRS rate from that location and return when required to train at away-from-home terminal locations.

(d) The company will use student conductor training forms, verbal input from instructor conductor, and on the job observations as tools to evaluate and promote new hires to qualified conductors.

(e) New hire employees with adequate previous experience may be "tested out" by the company rather than completing the conductor trainee training and commence working as a conductor if qualified by management.

(f) Upon qualification and promotion to conductor an employee will be allowed to place themselves to any job their seniority will allow.

Student Engineers

(a) The company will issue conductors a student engineer certificate after 6 months and within 12 months of employment as a qualified conductor.

NOTE: Date of hire for existing conductors will be used for purposes of application of the above provisions.

(b) Carrier will provide employee a schedule for receiving student engineer trips. Student engineers will not be required to work as a conductor while receiving a student engineer trip and will be compensated at the conductor rate of pay (including overtime) while receiving a student engineer trip. Schedule of student engineer trips will allow completion of locomotive engineer training within 18 months from issuance of student engineer certificate. Student trips will include familiarization on any territory and the different types of trains an employee may be expected to work as a locomotive engineer.

(c) The company will provide sufficient locomotive engineer classroom training. Student must have completed a minimum of ten (10) student trips prior to attending classroom training. Carrier will provide compensation for actual, necessary expenses to attend classroom training as provided for new hire / conductors above.

(d) The company shall utilize student engineer trip reports as well as verbal input from instructor engineers to determine when student engineer is ready to receive a check ride. Student engineers must have completed a minimum of fifteen (15) student trips to

qualify for a check ride. Employees will be compensated at the engineer rate of pay beginning the first day he/she works as a qualified locomotive engineer.

(e) New hire employees with adequate previous experience may be "tested out" by the company rather than completing the student engineer training program. Tested out engineers must be given a familiarization trip on any territory he/she may operate on as a locomotive engineer.

Promoted Locomotive Engineers

(a) The company will provide locomotive engineers with sufficient remedial training including CBT training.

Rules Exams – Attending Company Business

(a) Employees who are required by the Company to attend rules classes, rules examination/certification sessions, training programs and seminars, attend safety meetings, give depositions, attend investigations or other company business will be compensated four (4) hours pay at the pro rata rate for attendance requiring four (4) hours or less. Employees who are required to attend beyond four (4) hours will be compensated actual time consumed.

(b) Time spent in attendance at the functions described in paragraph (a) above that is combined with a tour of duty will be included in the forty hours in a work week for the purpose of determining overtime as described in Article 2, paragraph (d) of this Agreement.

(c) Time spent in attendance at the functions described in paragraph (a) above, that is not combined with a tour of duty, will be included in the forty hours in a work week for the purpose of determining overtime as described in Article 2, paragraph (d) of this Agreement.

(d) Employees may be required by the company to attend the functions described in paragraph (a) above on a regularly scheduled rest day if conditions necessitate.

ARTICLE 17 **Bulletin Boards**

The company shall provide space for the organization to hang a bulletin board, at all home terminals to post notice of union business, provided that such notice(s) shall not include any defamatory or anti-company material. The company shall not post any anti-union material on company bulletin boards.

ARTICLE 18 **Hearings and Discipline**

(a) Employees who have been in service more than 180 days will not be disciplined or have notation placed against their personnel or personal records without first being given a fair and impartial investigation. A charged employee will be allowed to be represented by a train or engine service employee of their choice or duly credited union

representative, allowed to be present during the entire investigation, allowed to question all witnesses and allowed to have witnesses testify on their behalf. Employees may be held out of service pending an investigation only for charges of serious rule violations.

(b) Employees will be notified, in writing, no later than ten (10) days of the date of the alleged violation or no later than ten (10) days of the date a Company officer with authority to call investigations becomes aware or should have become aware of the alleged violation. Such notification will be via U.S. Certified Mail (return receipt requested), or a recognized delivery service such as Federal Express or United Parcel Service, with a delivery receipt or hand delivered, and receipt of such notice will be acknowledged by signature and date by the charged employee. The notice of hearing will contain information sufficient to apprise the employee of the act or occurrence to be investigated. It will also include the time and location of the investigation. The employees will be given sufficient time to prepare a defense and request witness to testify on their behalf at the investigation. The hearing shall be held no later than 20 days from the date the company officer with authority to call investigations becomes aware of the alleged violation. The Company and the Organization will grant reasonable postponements.

(c) A decision will be rendered within thirty (30) days of the completion of the investigation. The employee will be notified of the decision via U.S. Certified Mail (return receipt requested) or a recognized delivery service such as Federal Express or United Parcel Service, with a delivery receipt or it will be hand delivered and will be acknowledged by signature and date of receipt by the employee.

(d) In the event discipline is assessed, a transcript of the investigation will be provided with the decision to the employee and his/her representative. The employee or his/her representative has the right to appeal the decision if an appeal is filed with the Company within thirty (30) days of the date the decision is received by the employee or the date of first attempt of delivery. If an appeal is not filed within this time period, the discipline is barred from further action or appeal, unless the parties mutually agree otherwise.

(e) The carrier must issue a written decision on the employee's appeal within thirty (30) days of the date of the employee's appeal. If the carrier fails to issue such decision within this thirty (30) day period, the appeal will be sustained in its entirety.

(f) If the employee's discipline is appealed and the carrier denies such appeal within the time limits set forth herein, the general chairman may advise the carrier that the denial of the appeal is not accepted by the Organization and a conference with the highest designated officer (HDO) is requested. The general chairman must advise the carrier of this within thirty (30) days of the date of the carrier's denial of the appeal.

(g) The carrier's HDO and the general chairman will conference the employee's case within thirty (30) days of the date of the general chairman's advice that the decision on the appeal was unacceptable and a conference was requested, unless mutually agreed to extend this 30 day period for holding the conference. Within thirty (30) days of the date of the conference, the HDO must issue a final decision, in writing, to the general chairman. Failure to issue a final decision within 30 days of the date of the conference will result in the appeal being sustained in its entirety.

(h) The written decision of the HDO, after conference, will be considered final and binding, unless, within six (6) months of the date of this written decision the general chairman advises the HDO of his/her intent to list the case for adjudication at a Public Law Board or Special Board of Adjustment or the National Railroad Adjustment Board.

(i) An employee notified to attend an investigation and found to be not guilty, will be paid for all time lost, including time spent in attendance at the investigation.

(j) Employees required to attend an investigation as a carrier witness on their off duty time will be paid for all time from the time required to report until the time of final release by the investigation officer, with a minimum of 4-hours pay at the rate of last service performed.

(k) Carrier officers may offer a charged employee the right to waive the investigation and accept responsibility for the charges. Such a waiver will be in writing, signed by the carrier officer and the employee, and contain the specific amount of discipline that will be assessed as a result of the employee waiving his/her rights to an investigation. A waiver that has been proposed but not accepted by a charged employee shall not be referred to in a subsequent investigation.

(l) Employees may be counseled by their supervisor for a variety of reasons or instances that require instructive action. A follow-up letter may be placed on the employee's personal file, which details the counseling session. Such letter of counsel is not considered discipline. The employee will be provided a copy of the follow-up letter and will be allowed an opportunity to submit a brief non-argumentative response, which will be attached to the follow-up letter and included in the personal file.

Article 19 **Grievance Handling Process**

(a) All time claims must be presented in writing by or on behalf of the employee involved, to the carrier within fifteen (15) days of the date of the occurrence on which the claim is based.

(b) Should any time claim be disallowed, the carrier, within sixty (60) days from the date same was filed, must notify the employee or his representative in writing of the reason(s) for such disallowance.

(c) If a disallowed claim is to be appealed on behalf of the employee, such appeal must be in writing within sixty (60) days from receipt of the notice of disallowance.

(d) Within sixty (60) days of the date of the appeal, the highest carrier officer designated to handle such claim must notify the employee's representative in writing of his/her decision to reject this appeal. A rejected appeal will be considered as listed for conference between the parties.

(e) Within sixty (60) days of the Time Claim Conference, the carrier must send a final rejection letter of such claim to the BLET's highest designated officer to handle such claim.

(f) Within one-hundred-eighty (180) days of the date of the final rejection letter after conference, the Organization must either docket the claim to a Public Law Board in accordance with applicable National Mediation Board rules and procedures or file an ex parte notice of intent with the First Division, NRAB.

(g) If either party fails to comply with a time limit contained in this agreement, the claim shall be allowed (if the carrier's failure) or withdrawn (if the organization's failure). Claims so disposed of shall not be considered as a precedent or a waiver of the contentions of either party as to other similar claims.

(h) This rule recognizes the right of the representatives of the Organization party hereto to file and prosecute claims for and on behalf of the employees they represent.

Note 1: It is understood the time limits set forth in this Rule may be extended by mutual agreement of the parties.

Note 2: The organization will be notified in writing when a denied claim is subsequently paid.

ARTICLE 20 **Local Chairmen**

(a) Upon reasonable advance notice, Local Chairmen may request to mark-off for union business, and the company will not unreasonably withhold approval. Local Chairmen who mark-off for union business will have their weekly guarantee reduced by eight (8) hours for each calendar day while marked off. For example, the employee marks off for two (2) days during the week. Such Employee's weekly guarantee will be reduced by sixteen (16) hours, provided that the employee marks up and is available for work at the earliest reasonable opportunity that includes not less than eight (8) hours for rest in addition to necessary travel time.

(b) The right to make and interpret agreements on behalf of the union is vested in the General Chairman or the regularly constituted Committee of Adjustment of the BLET. Local Agreements between the company and the Local Chairman will not have any precedential effect unless they have been approved by the General Chairman.

ARTICLE 21 **Management Rights**

The management of the business, the operation of the railroad, the right to place into effect any and all changes necessary to effect an efficient operation for the business are vested in the company, so long as the same are not in conflict with the provisions of the Agreement.

ARTICLE 22
Representation

(a) The company respects the right of individual employees to become union members in good standing. It shall be a condition of the continued employment of all employees covered by this Agreement that each employee shall, on or before the first day of each calendar month, beginning thirty days following the effective date of this Agreement, become a member of or pay to the Union as a fee for such services rendered and to be rendered by the Union in acting as such employee's representative for purposes of collective bargaining, an amount chargeable as an agency fee. Employees hired after the effective date of this agreement, shall as a condition of employment pay or tender to the Union such amounts for the period on or after the 90th day after such entrance.

(b) The company will deduct from wages due employees represented by the Union amounts for periodic dues, initiation fees, and assessments (but not fines and penalties), for each employee from which the company has received a written and unrevoked authorization in the form attached hereto as Appendix III, or other such form as agreed upon by the parties. Deductions shall be made by the company in accordance with certified deduction lists furnished by the treasurer of the union. The company will make deductions monthly from the second pay period in each calendar month, and the company will remit to the treasurer the total amount of such deductions on or before the 20th day of the following month. In the event an employee's earnings are insufficient to permit the full amount of deduction, no deduction shall be made for such period and the responsibility for collection will rest entirely with the union.

(c) The following payroll deductions shall have priority over deductions covered by this Article: Federal, State, and Municipal taxes, amounts due the company, and deductions required by law.

(d) Upon written notification from the Union that an employee has union dues or agency fees that are sixty (60) days past due, and upon request from the Union that the employee be terminated, the company shall terminate the employee.

(e) The Union shall indemnify, defend, and save the company harmless against all claims, suits, or liability arising out of the application of this Article.

ARTICLE 23
Moratorium and Term of Agreement

(a) This agreement will remain in effect through December 31, 2010, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(b) No party to this Agreement will serve any notice or proposal under the terms of the Railway Labor Act for the purpose of changing the provision of this Agreement prior to July 1, 2010, to be effective no earlier than January 1, 2011.


(c) All proposals in pending notices served by the union and the company are hereby withdrawn.

(d) This Article will not bar the parties from agreeing upon any subject of mutual interest.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of _____, 2008.

FOR THE EMPLOYER:

MISSOURI & NORTHERN ARKANSAS
RAILROAD

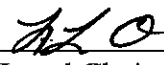
 1/16/08
General Manager


RES 1/16/08
Regional Vice President

FOR THE UNION:

BROTHERHOOD OF LOCOMOTIVE
ENGINEERS AND TRAINMEN

KAK 1/16/08
Local Chairman

 1-16-08
Local Chairman

 01/16/08
General Chairman

Vice President

APPENDIX I - WAGE DEDUCTION AUTHORIZATION

**MISSOURI & NORTHERN ARKANSAS RAILROAD
AND
BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN**

EMPLOYEE'S NAME:

(PRINT) Last First MI

EMPLOYEE'S HOME ADDRESS:

Street and Number City State Zip.

EMPLOYEE I.D.: _____ BLET DIVISION NO.: _____

Office of Payroll

I hereby assign to the Brotherhood of Locomotive Engineers and Trainmen that part of my wages necessary to pay periodic dues, assessments and insurance premiums (not including fines and penalties) as reported to the company by the Secretary-Treasurer of my Division in a monthly deduction list certified by him as provided in the Deduction Agreement, entered into by the company and the Union, and I authorize the company to deduct such sum from my wages and pay it over to the Secretary-Treasurer of the Division of the Union in accordance with the Deduction Agreement.

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

SIGNED: _____ DATE: _____

APPENDIX II
9X3 Work/Rest Cycle Matrix

Job	WEEK 1							WEEK 2						
	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thur	Fri	Sat
1				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk		
2	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	
3	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk
4	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk
5	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk
6	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk
7	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk
8	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk
9	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk
10	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk
11		Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk
12			Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk			

Job	WEEK 1							WEEK 2						
	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thur	Fri	Sat
1		Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk
2			Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk			
3				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk		
4	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	
5	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk
6	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk
7	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk	Wk
8	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk	Wk
9	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk	Wk
10	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk	Wk
11	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk	Wk
12	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk	Wk				Wk	Wk

APPENDIX III—GRIEVANCE/CLAIM FORM

NAME: _____

DATE: _____

ENGINE NUMBER: _____

JOB NUMBER _____

ON-DUTY TIME AND DAY: _____

OFF-DUTY TIME AND DAY: _____

CARRIER OFFICIAL INVOLVED: _____

DESCRIPTION OF CLAIM/REMEDY SOUGHT:

Signature of Local Chairman or Aggrieved Employee _____

DISPOSITION OF CLAIM: PAID: _____ DECLINED: _____

IF DECLINED, BRIEF EXPLANATION:

Signature of Carrier Official

APPENDIX IV – ALTERNATIVE DISPUTE RESOLUTION

1. Remedial Action Procedures: If the carrier, in its sole discretion, offers and the employee accepts, the parties may forgo the disciplinary and grievance procedures contained in Articles 10 and 11 of the parties' Agreement and proceed under these remedial action procedures.
2. The remedial action procedures will be as follows:
 - (a) Where the carrier believes an employee has violated a rule or policy requiring remedial action on behalf of the employee, the Carrier will notify the employee and the union within ten (10) days of the violation and its intent to proceed under this Appendix. The carrier will hold a meeting with the employee and the union not less than twenty-four (24) hours nor more than seven (7) days after such notification.
 - (b) At the meeting, the carrier, employee, and union will discuss remedial measures to apply to the employee. The purpose of such remedial measure will be to provide the employee with such education or information as may be needed to improve the employee's performance in the area of the violation.
 - (c) The violation or offense, along with the remedial action taken, will be recorded and retained in the employee's personnel file for a period agreed upon by the parties but in no event for longer than twenty-four (24) months.
 - (d) If the carrier, employee, and union cannot agree on a remedial measure at the initial meeting, these remedial action procedures will no longer apply and the carrier will impose such discipline as it in its sole discretion determines to be appropriate. The employee is then free to invoke the Hearings and Discipline and Grievance and Arbitration processes contained in Articles 10 and 11. Time limits under those Articles will begin to run when the employee rejects the carrier's final offer for a remedial measure.
3. Revocation of Alternative Dispute Resolution Procedures: Upon thirty (30) days notice, either party may revoke or rescind its agreement to abide by the Alternative Dispute Resolution procedures contained in this appendix, provided, however, that any action or disagreement giving rise to a dispute before notice is given will still be subject to the Alternative Dispute Resolution procedures.

Side Letter No. 1

Mr. Rick Gibbons
General Chairman, BLET

Reference: Article 2, Rates of Pay

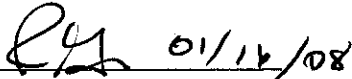
Dear Mr. Gibbons:

In reference to the collective bargaining agreement signed today, we discussed the concerns expressed by the Organization regarding the possible future modification of the RailAmerica Incentive Compensation Plan (hereinafter referred to as "the Plan"). In that respect, the Company is agreeable to the following:

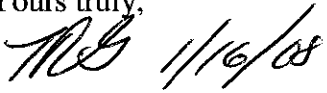
1. It is understood the compensation package agreed to (2% each January 1 and participation in the Plan) is in lieu of general wage increases of 3% per year with no participation in the Plan.
2. In the event, during the moratorium period of this contract, the Plan is revised by RailAmerica to provide for a reduction in the potential compensation thereunder below six percent (6%) of the employees' gross wages, the Organization may, at its option, serve written notice upon the Company of its intent to discontinue participation in the Plan effective at the beginning of the next quarter. In that event, the rates of pay will be increased by 1% concurrent with discontinuance of Plan participation for the balance of that calendar year. Thereafter, for the balance of the moratorium period, the remaining general wage increases provided shall be applied at 3% instead of 2%.
3. It was also agreed that the Plan will be applied to the employees covered by this Agreement retroactively to January 1, 2008.

If this accurately sets forth our understanding in this matter, please indicate your concurrence by signing below.

I Agree:


General Chairman, BLET

Yours truly,


Tommy Gibson
General Manager
The Missouri & Northern Arkansas
Railroad

Side Letter No. 2

Mr. Rick Gibbons
General Chairman, BLET

Reference: Incentive Compensation Plan

Dear Mr. Gibbons:


During our negotiations we discussed the Organization's question about its ability to verify financial performance data to insure that the Incentive Compensation Plan has been properly administered to the employees it represents. This will confirm that the Company agreed it would provide a qualified accountant access to company financial information if requested by the General Chairman, so long as the person designated by the Organization to review such data has executed any required confidentiality agreement.

As to the safety performance data, such information is routinely published to all the employees already.

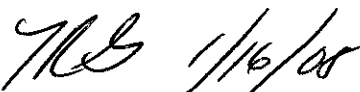
If this accurately sets forth our understanding in this matter, please indicate your concurrence by signing below.

Yours truly,

I Agree:

 01/16/08

General Chairman, BLET

 1/16/08
Tommy Gibson
General Manager
The Missouri & Northern Arkansas
Railroad

Side Letter No. 3

Mr. Rick Gibbons
General Chairman, BLET


Reference: Carry-Over Sick Days

Dear Mr. Gibbons:


During our negotiations we discussed how carry-over sick days from 2007 would be treated for purposes of applying Article 15. It was agreed that sick days carried over to 2008 will be converted to flex days and added to such employees' account in addition to those currently accrued commencing January 1, 2008.

If this accurately sets forth our understanding in this matter, please indicate your concurrence by signing below.

I Agree:

 01/16/08
General Chairman, BLET

Yours truly,

 1/16/08
Tommy Gibson
General Manager
The Missouri & Northern Arkansas
Railroad

Side Letter No. 4

Mr. Rick Gibbons
General Chairman, BLET

Reference: Retroactive (Back) Pay

Dear Mr. Gibbons:

In reference to the increase in general wages for the period prior to the effective date of this Agreement, the respective percentage increases will be applied to all gross wages, and paid to the eligible employees within sixty (60) days from the date of the Agreement.

For the purpose of defining all eligible employees that are to receive retroactive compensation, only those with an employee relationship on the date of this Agreement or that may have retired during the defined periods are included.

Out of service employees subsequently reinstated will be considered as having eligibility under this Agreement.

For the purpose of defining all eligible wages that are to be included within the retroactive pay, the Incentive Compensation Plan's quarterly payout(s) will not be included.

If this accurately sets forth our understanding in this matter, please indicate your concurrence by signing below.

I Agree:

RG 01/16/08
General Chairman, BLET

Yours truly,

TG 1/16/08

Tommy Gibson
General Manager
The Missouri & Northern Arkansas
Railroad