

**MEMORANDUM OF AGREEMENT BY AND BETWEEN THE INDIANA
HARBOR BELT RAILROAD AND ITS EMPLOYEES REPRESENTED BY THE
BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN IN
CONNECTION WITH ASSIGNED REST DAY PROGRAM**

IT IS AGREED:

Engineers will have the option of working five (5) consecutive tours of duty (starts) in a seven (7) days period with two (2) consecutive rest days off, or six (6) consecutive tours of duty (starts) in a seven (7) day period with one (1) day off as an alternative to the "22 Start Agreement" dated February 16, 1966.

Engineer participation in the Rest Day Program is strictly voluntary. Engineers interested in participating in this Rest Day Program will notify his/her designated Union Officer by phone or fax three (3) days prior to the start of his/her monthly work bracket providing designated Union Officer with (3) rest day choices, in order of preference.

The Carrier will establish a minimum of five (5) two (2) consecutive day rest periods for each monthly work bracket as outlined below:

1st through the last day of the month

8th through 7th

15th through 14th

22nd through 21st

Engineers will be afforded the opportunity to bid on the following combination of rest days provided only one (1) engineer may be assigned to any of the rest day combinations set forth below for each monthly work bracket.

(Saturday-Sunday) (Sunday-Monday) (Monday-Tuesday) (Tuesday-Wednesday)

(Wednesday-Thursday) (Thursday-Friday) (Friday-Saturday)

The Carrier will establish a minimum of two (2) one (1) day rest periods for each monthly work bracket.

Engineers shall be afforded the opportunity to bid on the following single rest days, provided only one (1) engineer may be assigned to any of the single rest days set forth below for each monthly work bracket.

(Saturday) (Sunday) (Monday) (Tuesday) (Wednesday) (Thursday) (Friday)

Engineers will be required to bid and/or re-bid his/her choice of assigned rest day(s) on a monthly basis.

Engineers who elect to bid for assigned rest day(s) will be selected in seniority order in conjunction with his/her monthly start bracket and will begin his/her rest day(s) when assigned day(s) become first available in his/her monthly work bracket. Engineers will start his/her rest days on the first day of his/her monthly work bracket regardless if only one (1) rest day is available at the beginning of his/her monthly work bracket.

Engineers who are displaced ("bumped") while on his/her assigned rest day(s) will be notified by the crew dispatcher of such displacement no earlier than 12:01 pm on his/her last assigned rest day.

Engineers displaced ("bumped") prior to his/her assigned rest days will have, upon the expiration of his/her rest day(s) a two (2) hour mark-up when selecting a work assignment. The two (2) hour mark-up will apply on the engineer's first scheduled day back to work after his/her rest day(s).

Engineers awarded assigned rest day(s) under the terms and conditions of the Rest Day Program will not combine his/her rest day(s) with any regular assignment's scheduled rest day(s) for the purpose of having more than one (1) day off while participating in the one (1) day off rest day program, or two (2) days off while participating in the two (2) day off rest day program.

Engineers who receive notification that his/her regular assignment has been cancelled the day before and/or the day after his/her scheduled assigned rest day(s) may remain on the cancelled assignment without penalty.

Engineers will qualify for "Holiday Pay" if he/she meets all the applicable provisions of the holiday agreement in effect.

Engineers with assigned rest day(s) may register for the "Available Extra Board" with the crew dispatcher at any time during his/her assigned rest day(s).

Available Extra Board engineers will be used in a first in, first out manner, as with the engineer Extra Board.

Engineers who work an assigned rest day(s) for any reason will be compensated at the time and one-half rate for each tour of duty worked while on their assigned rest day(s).

Engineers with assigned rest day(s) who mark-up on the Available Extra Board and miss a call will be subject to the ten (10) hour rule and will be placed at the bottom of the available extra board.

Engineers who refuse a call from the Available Extra Board will have his/her name removed from the Available Extra Board for the remainder of his/her monthly work bracket.

Engineers who miss or refuse a call while marked-up on the available extra board on his/her assigned rest day(s) will not be subject to disciplinary action.

Engineers who fail to comply with the terms and conditions outlined in this agreement will be restricted from participating in the Rest Day Program for his/her next two (2) monthly work brackets.

Engineers participating in the Rest Day Program will be required to mark-off with the crew dispatcher the day prior to his/her assigned rest day(s) for all assigned rest days during his/her entire monthly work bracket and mark-up with the crew dispatcher the day after his/her assigned rest day(s).

Engineers participating in the Rest Day Program will be expected to comply with all provisions as outlined in the August 1, 2005 Agreement, Article VII-Engineer Availability.

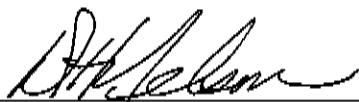
This agreement shall not be construed and/or interpreted as changing any of the specific provisions as contained in the "22 Start Agreement", dated February 16, 1966 between the IHB and its employees represented by the BLET. All provisions of the "22 Start Agreement" will remain in full force and effect.

This Agreement may be modified by agreement between the parties for a period of one-hundred eighty (180) days from the date of this Agreement, or until December 17, 2008.

This Agreement shall become effective on June 19, 2008 and shall remain in effect until changed or modified in accordance with the provisions of Railway Labor Act, as amended.

SIGNED THIS 19TH DAY OF JUNE, 2008 AT HAMMOND, INDIANA.

**FOR THE INDIANA HARBOR
BELT RAILROAD:**



David H. Nelson
General Superintendent

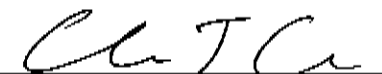


Mary Kay Conley
Director Labor Relations and
Human Resources

**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS AND
TRAINMEN:**



William J. Cales
General Chairman



Christopher J. Cundari
Local Chairman