

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES
REPRESENTING
TRACK, BRIDGE AND BUILDING
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment for a new labor agreement ("Agreement") for the period of July 1, 2004, through June 30, 2011. This Memorandum of Understanding is subject to ratification by the membership of The Brotherhood of Maintenance of Way Employees and final approval by the New Jersey Transit Board of Directors.

This agreement amends the agreement between The Brotherhood of Maintenance of Way Employees and New Jersey Transit Rail (NJTRO) as amended. The rules in the agreement are changed only to the extent indicated herein and remain otherwise unchanged and in full force until changed in accordance with the provisions of the Railway Labor Act, as amended. The rule changes set forth in this Memorandum of Understanding shall be effective upon date of ratification unless otherwise specified.

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1. Wages

Effective January 1, 2005, all current wage rates shall be increased as follows:

Effective January 1, 2005, all current wage rates will be increased by one and one half (1.5%).

In addition, effective January 1, 2005, all employees represented by the Organization, except those dismissed for cause, will receive a lump sum payment of five hundred dollars (\$500).

Effective July 1, 2005, all current wage rates shall be increased by one and one half (1.5%) percent.

Effective July 1, 2006, all current wage rates shall be increased by one and one half (1.5%) percent.

Effective January 1, 2007, all current wage rates shall be increased by two (2%) percent.

Effective July 1, 2007, all current wage rates shall be increased by two (2%) percent.

Effective January 1, 2008, all current wage rates shall be increased by two (2%) percent.

Effective July 1, 2008, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2009, all current wage rates shall be increased by three (3%) percent.

Effective July 1, 2010, all current wage rates shall be increased by three (3%) percent.

The retroactive wages payable due to the one and a half (1.5%) percent general wage increase effective January 1, 2005 through June 30, 2005, and the wages payable due to the one and a half (1.5%) percent general wage increase effective July 1, 2005 through June 30, 2006, and one and a half (1.5%) percent general wage increase effective July 1, 2006 to December 31, 2006, and the two (2%) percent general wage increase effective January 1, 2007 to June 30, 2007 and the two (2%) percent effective July 1, 2007 to November 6, 2007 will be paid on or before December 13, 2007. As regards to the \$500.00 lump sum payment employees must have worked a minimum of 1,000 hours in calendar year 2004 to receive payment which shall be payable on or before November 21, 2007. The new hourly rates effective upon ratification will go into effect on November 7, 2007.

Regarding the one and a half (1.5%) percent general wage increase effective January 1, 2005, and the one and a half (1.5%) percent wages general wage increase effective July 1, 2005 and the one and a half (1.5%) percent effective July 1, 2006, and the two (2%) percent effective January 1, 2007, and the two (2%) percent effective July 1, 2007, it is agreed that retired employees and employees who otherwise left service (except for those dismissed for cause, who if reinstated will receive the increase due) will receive such payments for all hours compensated during such periods.

