MEMORANDUM OF AGREEMENT

NEW JERSEY TRANSIT BUS OPERATIONS INC. (NJTBO)

AND

AMALGAMATED TRANSIT UNION NEW JERSEY STATE COUNCIL Division No. 819, 820, 821, 822, 823, 824, 825 and 880 (ATU)

New Jersey Transit Bus Operations, Inc. ("NJTBO" or "Company") and the Amalgamated Transit Union, New Jersey State Council, Division No. 819, 820, 821, 822, 823, 824, 825 and 880 ("Union"), having engaged in negotiations for an agreement to succeed the current Collective Bargaining Agreements, which include the Hourly, Field Salary and General Office Clerical Agreements (collectively referred to in this MOA as "CBA's") between the Company and the Union that expired on June 30, 2008, hereby agree to the following amendments to the CBA's as set forth below.

This Memorandum of Agreement ("MOA") represents a complete package and no individual element of this MOA is acceptable to the parties absent an agreement to the complete package set forth herein. Therefore, the parties hereby agree to amend the CBA's as follows:

- 1. <u>Term of CBA's Extended</u>: The term of the CBA's shall commence on July 1, 2008 and terminate on June 30, 2010.
- 2. Wages: All employees covered by the CBA's shall receive a 3.50% wage increase effective on and retroactive to the first full pay period that began on July 5, 2008. This wage increase shall be applied to the wage rates in effect as of June 30, 2008. There shall be no wage increases for the period July 1, 2009 through June 30, 2010.
- 3. Payment of Retroactive Wages: Assuming that the "effective date of this agreement", as defined below, occurs on or before July 1, 2009, NJTBO will make best efforts to pay all retroactive pay that is due to all employees by no later than July 10, 2009.

4. Hourly Agreement Section 16F, Attending Hearings: Revise as follows:

"Where operators or maintenance employees who are required to possess a CDL receive a summons charging them with a violation of Motor Vehicle Law (Title 39, Revised Statutes, in New Jersey, or the similar law of any other State) arising out of their performance of regular duties of their employment, the Company, on request, may furnish legal counsel as heretofore.

If the Company declines to furnish such legal counsel, the operator or maintenance employee may select counsel of their own choice, and if the operator is found not guilty, the Company will contribute \$300.00 toward the legal expense."

- 5. Sick Benefits: The Hourly Agreement at Section 16L-4, the Field Salary Agreement at Section 6H-3, and the General Office Clerical Agreement at Section 6G-3 shall be amended by adding the following language: "Effective on July 4, 2009, sick leave benefits shall be paid at a rate of \$546.00 per week."
- 6. <u>Death in Family</u>: The Hourly Agreement at Section 16L-10, the Field Salary Agreement at Section 6H-9, and the General Office Clerical Agreement at Section 6G-9 shall be amended to include "domestic partner" and "civil union partner" as part of the definition of "immediate family" for purposes of these Sections.
- 7. <u>Effective Date:</u> This Memorandum of Agreement shall not become effective unless and until each of the following events occurs:
 - a. The MOA is ratified by the Union, with written notification of such ratification provided by the Union and received by NJTBO;
 - b. The MOA is ratified by NJTBO and approved by the NJ Transit Board of Directors; and
 - c. The MOA is either approved or not vetoed by the Governor within the Governor's legal veto period following approval by the NJ Transit Board of Directors.
 - d. Effective Date of Agreement: When the above provisions in Section 7,a,b, and c have been met, the first Saturday following the final day of the Governor's veto period shall constitute the Effective Date of this Agreement. This definition shall apply to any reference in this MOA to "effective date of this agreement" or "date of ratification".

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- 8.
- a. The Union's Bargaining Committee agrees that it will recommend ratification to its members and NJTBO's Management will likewise recommend approval.
- b. The undersigned are authorized to execute this Memorandum of Agreement on behalf of their respective constituencies.
- c. This agreement represents the entire understanding of the parties. Any proposal or counter-proposal not contained herein is deemed waived. Upon ratification, the Company will draft new collective bargaining agreements (Hourly, General Office Clerical and Field Salary) and present them to the ATU for execution.

NEW JERSEY TRANSIT BUS OPERATIONS, INC.

DATE: 4/27/09

By: In Jug anter

Jim Gigantino,

Vice President and General Manager

AMALGAMATED TRANSIT UNION NEW JERSEY COUNCIL Locals 819, 820, 821, 822, 823, 824, 825, 880

DATE: 4/28/09

John Con

Chairman, New Jersey State Council