MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT made between the New York City Transit Authority (hereinafter referred to as the "Authority") and the Transport Workers Union, Local 106, Transit Supervisors Organization, Station Supervisors, Level II (hereinafter referred to as the "Union").

It is mutually agreed that the collective bargaining agreement between the Authority and the Union shall be amended as follows:

1. Term

This agreement shall commence October 1, 2006 and continue in effect through March 3, 2010.

2. Wages

The wage rate for employees represented by the Union shall be increased as follows:

- (a) Effective October 1, 2006, the rates of pay that were in effect on September 30, 2006 shall be increased by three percent (3.0%).
- (b) Effective October 1, 2007, the rates of pay that were in effect on September 30, 2007 shall be increased by four percent (4.0%).
- (c) Effective October 1, 2008, the rates of pay that were in effect on September 30, 2008 shall be increased by three and one-half percent (3.5%.

3. Holidays / AVA Days

Effective upon full and final ratification, an employee required to work on New Years Day, Independence Day, Thanksgiving Day, and Christmas Day shall be paid a two dollar (\$2.00) per hour differential for all hours actually worked on the above holidays.

The cap on the banking of AVA days shall be increased to 85 days.

4. Vacation Usage

Employees who are eligible to receive five (5) weeks of vacation may select at the beginning of the vacation year to utilize up to three (3) weeks in single days. Those vacation days not utilized by the end of the vacation year will be cashed-out in accord with current divisional practices.

5. Workers Compensation Differential / Waiver & Election

The Authority agrees to provide an explanation of differential benefits to employees at the time the differential benefits are paid. Such explanation will include the period of differential being paid and the after-tax pay base upon which the differential was calculated. The Union understands that the implementation of this provision will be accomplished as soon as practicable after the execution of this Agreement.

Effective upon full ratification, employees with injury-on-duty claims pending shall be entitled to use their earned paid sick and vacation leave time on the first day following their injuries where practicable, and the amounts charged against such balances and entitlements shall be restored to the employee in the event the Authority does not contest the employee's Workers' Compensation claim or the claim is upheld by the Workers' Compensation Board. The waiver form will be made part of the accident package.

6. Overtime

Section 2.5 (b) shall be replaced with the following:

"Employees required to report on their regular day off for the purposes defined under (a) above will be paid at the rate of time and one half. Where the hearing or investigation occurs before or after the employees regularly scheduled tour of duty he/she shall be paid in accordance with the overtime provisions set forth herein, if applicable. However, if it is a hearing or departmental investigation in regard to the employee's own malfeasance or neglect of duty, the employee will not be paid for the time in attendance. Time under this provision shall be deemed as time worked and may be banked in accordance with the OTO provisions to this agreement."

7. Pension Refund:

The Authority and the Union will support legislation to provide for the refund of employee deemed additional member contributions (AMC), with interest, for participants of the Transit Operating 55/25 plan who made said contributions prior to 2000 under chapter 96 of the retirement and social security laws of 1995. The refund shall be applicable to employees in an active employment status on October 1, 2006 and must be applied for by the employee under the procedures as determined by the New York City Employees Retirement System.

8. New Technology

The President of the Union and the Chief Officer or his/her designee shall meet at least twice per year for the purposes of discussing issues relating to new technology and other issues impacting employees covered under this agreement at the workplace.

9. Sick Leave

The sick leave provisions shall be modified in accordance with attachment A.

10. Eyeglass Plan

Active and retired supervisors will be entitled to eyeglass frames or contact lenses at General Vision Services and all participating stores or such other optical provider as the Authority may determine up to a value of \$180.

11. Release Time

Six (6) additional days of NYC Transit paid release time shall be granted each year for the performance of Labor Management activities beginning September 1, 2008.

12. Continuation of Terms:

Except as otherwise expressly provided for in this Agreement, all provisions and Stipulations attached to the previous Collective Bargaining Agreement, shall continue in effect. All side letters attached to the previous Collective Bargaining Agreement shall continue in effect unless modified herein.

IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISIONS OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OF LAW OR BY PROVIDING ADDITIONAL FUNDS THEREFORE, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL. IT IS FURTHER AGREED THAT THE PARTIES WILL JOINTLY SEEK SUCH APPROVAL WHERE REQUIRED.

IN WITNESS WHEREOF, the parties have set their hands and seals as of the day of July, 2008.

New York, New York

FOR: TWU Local 106 TSO/SSII

Robert Romaine, President

TWU Local 106

FOR: MTA NYC Transit

with T. Pierce, Sr. Vice President

Røberts, Jr., President

Administration

TRA

ATTACHMENT A

- A. (i) Effective January 1, 2009, employees with 50% or more of their potential sick leave balances as calculated on October 1, 2008 will be subject to all sick leave rules during the upcoming year with the following exceptions:
- · Not be required to "call in" and "call out" from the sick location
- Not be required to medically document any absence if three days or less
- · Not be subject to "home visits" or sick leave location investigations
- · Not be subject to any requirements of the sick leave control list
- (ii) On each subsequent January 1 of this program, employees with 50% or more of their potential sick leave balances as of October 1 will be eligible for the above sick leave rule modifications.
- (iii) A fresh start program will be instituted for employees whose sick leave balances are below the 50% threshold as calculated on October 1, 2008. For each year beginning October 1, 2009 and continuing thereafter, those employees will have the percentage of their sick leave balances measured from October 1, 2008, and will be eligible for the above sick leave rule modifications if they meet the 50% threshold.
- B. Yearly Sick Leave Cash Out Program
 - (i) Employees who have no sick leave usage during the period of November 1 of one year through October 31 of the next year may elect to cash out up to two sick days. If an employee has used only one sick day the employee may, at his/her option, cash out one sick day. The cash out will take place in December 2008 and each December thereafter.
 - (ii) The number of sick leave days an employee elects to cash out will be deducted from the employee's potential and actual available sick leave balance for purposes of the yearly 50% calculation of Section A above and for purposes of calculation of the sick leave cash-out upon separation or retirement from active service where the employee is eligible for such cash-out under the terms of the current Agreement or Section C below.
- C. Sick Leave Cash Out Upon Separation from Service

A fresh start program will be added to the current program for those employees who do not meet the current criteria of the sick leave cash-out upon separation or retirement. Under the fresh start program, an employee who voluntarily leaves the employ of the Authority or retires with ten (10) or more years of service and who does not have at least 50% of his/her potential career accrual in his/her sick leave bank at the time of separation or retirement will have his/her sick leave balance calculated based upon the sick leave accrued and taken subsequent to October 1, 2008. To be eligible under the fresh start program, the employee must have a minimum of 50% of his/her potential sick leave balance accrued subsequent to October 1, 2008. Such employees will receive a lump sum payment equal to 50% of his/her actual sick leave balance based solely on time credited and not taken subsequent to October 1, 2008. Those employees

4

who have at least 70% of their potential sick leave balance accrued subsequent to October 1, 2008 will receive a lump sum payment equal to 60% of their actual sick leave balance based solely on time credited and not taken subsequent to October 1, 2008.

D. Employees will have three work days to turn in sick forms.



July 8, 2008

Mr. Robert Romaine, President Transport Workers Union, Local 106 5764 Mosholu Avenue Bronx, NY 10471

Re: Side Letter - Expression of Preference for Assignment

Dear Mr. Romaine:

As discussed during negotiations, MTA New York City Transit will modify future Expressions of Preference for Assignments to include twelve (12) minutes of supervisory time associated with the exchange of information between tours, where the Authority deems such duties to be required. Employees will be required to report for duty as indicated on the Preference and will be paid in accordance with the overtime provisions of the Collective Bargaining agreement.

In consideration of this side letter, the Union agrees to withdraw any and all open grievances related to turnover time at the date of this letter with prejudice.

Sincerely,

Ledith T. Pierce

Sr. Vice President, Administration

Agreed to:

Robert Romaine, President

TSO, TWU, Local 106

cc: John R. Panico

ME