

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION
REPRESENTING
SUPERVISORS IN THE MAINTENANCE OF WAY DEPARTMENT
AND
NEW JERSEY TRANSIT RAIL OPERATIONS

The parties hereby agree to the following terms and conditions of employment to amend the labor agreement (“Agreement”) for the period July 1, 2008, through June 30, 2009. This Memorandum of Understanding is subject to ratification by the membership of the American Railway and Airway Supervisors Association and final approval by the New Jersey Transit Board of Directors.

This agreement amends the agreement between the American Railway and Airway Supervisors Association and New Jersey Transit Rail Operations (NJTRO) amended through June 30, 2008. 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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The American Railway and Airway Supervisors Association((MW)
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1. **Wages:**

Effective July 1, 2008 all current wage rates will be increased by one and one half (1.5%) percent.

Effective January 1, 2009, all current wage rates shall be increased by one and one half (1.5%) percent.

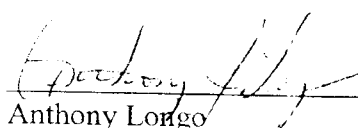
2. **Moratorium:**

There shall be a moratorium on the serving of Section 6 Notices until April 1, 2009, any changes not to become effective before July 1, 2009.

This Memorandum of Understanding constitutes the complete agreement of the parties with respect to changes in the Collective Bargaining Agreement reached between the undersigned on 12/6/06.

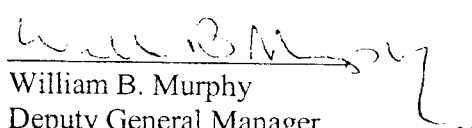
For the Organization:

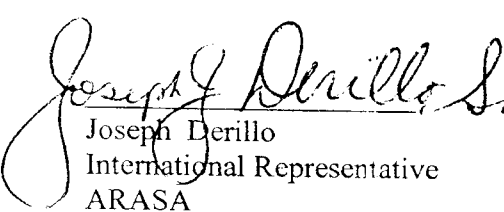
American Railway and Airway Supervisors
Association


Anthony Longo
General Chairman

For the Company:

New Jersey Transit Rail Operations


William B. Murphy
Deputy General Manager
Labor Relations & Administration


Joseph Derillo
International Representative
ARASA


Doug E. Solomon, Esq
Labor Counsel