

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: Pay for Union Business

Dear Mr. Silvera:

This will confirm that Metro-North will examine the legal and practical implications of establishing a procedure wherein active, full time Metro-North employees who are bonafide Union Officials will receive pay from Metro-North while on Union Business and the Union will reimburse Metro-North for all of the payroll costs incurred by Metro-North. This arrangement will not change the current rules or practices that determine when an active employee who is a Union Official is entitled to receive compensation from Metro-North.

Very truly yours,

Raymond Burney
Director – Labor Relations

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Dear Mr. Silvera:

This letter will confirm our discussions during the recently completed negotiations for a new collective bargaining agreement regarding the MTA's proposed corporate restructuring. We agree that the proposed restructuring provides potential opportunities for the MTA to operate more efficiently. We also agree that the best way to maximize those efficiencies is through cooperative efforts and good faith discussions which acknowledge the legitimate concerns of the workforce regarding seniority, earnings, job security and the like. We commit to using our best efforts to ensure that these discussions take place in a harmonious atmosphere and reach a timely and mutually acceptable conclusion.

Very truly yours,

Raymond Burney
Director - Labor Relations

I Concur:

F. Christophe Silvera

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: **Pension Plan Formula Amendments**

Dear Mr. Silvera:

This letter will confirm our discussions during the recently completed negotiations for a new collective bargaining agreement regarding Chapter 12 of the MTA Defined Benefit Pension Plan ("New Program"). We agree that the MTA will not change, amend or alter the benefit formulas contained in the proposed May 3, 2005 Draft of the New Program, as modified by Article II of the June 4, 2007 Memorandum of Understanding, without the Union's concurrence.

Very truly yours,

Raymond Burney
Director - Labor Relations

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: Early Retirement Health Benefits

Dear Mr. Silvera:

This letter shall memorialize the parties understanding with regard to the provision of health benefits to certain retirees. Members of the International Brotherhood of Teamsters who are participants in the Defined Benefit Retirement Program for Represented Employees of the Commuter Rails (hereinafter the "MTA DB Plan") who satisfy the minimum age and years of service requirements of the MTA DB Plan for an early retirement benefit (55/10), who receive said benefit from the MTA DB Plan upon retirement, and who have been participants in the New York State Health Insurance Plan for at least six months prior to their retirement date shall be entitled to retiree health benefits until they obtain 65 years of age.

Metro-North Commuter Railroad will provide said health benefits to eligible retirees represented by the IBT. Dependents shall continue to receive health benefits in accordance with the eligibility criteria established under the "Roosevelt Agreement". Nothing contained in this letter agreement shall be construed to change, alter or amend any other aspect of the "Roosevelt Agreement."

Additionally, retirees who qualify for and receive a disability pension as provided for in the MTA DB Plan will be eligible for health benefits until they reach age 65. If the retiree dies before reaching age 65, the retiree's spouse and dependents will continue to receive health benefits until the retiree would have reached age 65.

Very truly yours,

Raymond Burney
Director - Labor Relations

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: **Retirement Incentive**

Dear Mr. Silvera:

This letter will confirm our discussions during the recently completed negotiations for a new collective bargaining agreement regarding the Retirement Incentive for all participants in the New Program referenced in Paragraph 4, Article II of the June 4th, 2007 Memorandum of Understanding ("Retirement Incentive").

It is understood by and between the parties that in order to fund a portion of the Retirement Incentive, IBT's Collective Bargaining Agreement has been extended for two and one-half months beginning in 2010. At Metro-North's option, this two and one-half month extension shall terminate on the then existing contract's anniversary date which occurs after July 15, 2014, unless Metro-North determines to continue the Retirement Incentive. In such event, the reversion of the extension shall not occur and Metro-North's option to discontinue the retirement incentive shall expire.

Very truly yours,

Raymond Burney
Director - Labor Relations

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

**Re: The Defined Benefit Retirement Program for Represented Employees of
the Commuter Rails**

Dear Mr. Silvera:

The International Brotherhood of Teamsters (hereinafter "Union") and the Metro North Commuter Railroad (hereinafter "MNR") agree that pursuant to Section 12.1.03(h) of the Defined Benefit Retirement Program and subject to the following terms and conditions, split employment shall constitute credited service.

- 1) All release time prior to July 1, 2007 shall be administered as follows:
 - a) The Union shall have designated the individual as being on full or part time release time from MNR for Union business purposes and have been employed by MNR for at least five years prior to the designation;
 - b) The Union shall make the employer contributions to the Plan and such contributions shall be computed using an agreed upon contribution rate based upon a rate as determined by the Plan's Actuary. The salary used to determine the Union's contributions will not exceed \$119,945.75 (hereinafter the "Salary Cap") for the period beginning January 1, 2000 through December 31, 2000; and, beginning January 1, 2001 through December 31, 2001 the Salary Cap shall be \$123,544.12; and, beginning January 1, 2002 through December 31, 2003 the Salary Cap shall be \$127,250.45, and, beginning January 1, 2004 through December 31, 2004 the Salary Cap shall be \$131,067.96; and, beginning January 1, 2005 through December 31, 2005 the Salary Cap shall be \$135,000.00; and, beginning January 1, 2006 through December 31, 2006 the Salary Cap shall be \$139,050.00. The Salary Cap shall be based on the combined MNR and Union salaries;

Mr. Chris Silvera

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- c) The employer contribution, as determined by paragraph (b), shall be multiplied by 8.00% per annum, the MTA Defined Benefit Plan valuation interest rate;
 - d) Neither the Member nor the Union shall contribute based on any portion of total salary (MNR and Union combined) over and above the applicable Salary Cap;
 - e) The total salary (MNR and Union combined) used in all benefit calculations shall also be subject to the Salary Caps;
 - f) The Union's payment of its contributions with interest, as determined by paragraphs b and c, will be made in the manner and time frame as prescribed by the Actuary of the MTA Defined Benefit Plan;
 - g) Failure to comply with the Actuary's specifications will result in non-recognition of such service credit.
- 2) All release time on or after - July 1, 2007 shall be administered as follows:
- a) The union shall have or may designate an individual to be covered by this agreement who must be on full or part time release time from MNR for Union business purposes and have been employed by MNR for at least five years;
 - b) The Union shall make the employer contributions to the Plan and such contributions shall be computed using an agreed upon contribution rate based upon a rate as determined by the Plan's Actuary. The salary used to determine the Union's contributions will not exceed the Salary Cap of \$144,612.00, for the period beginning January 1, 2007 through December 31, 2007; and, beginning January 1, 2008 the Salary Cap shall increase by the General Wage Increases negotiated by and between the parties as part of collective bargaining. The Salary Cap shall be based on the combined MNR and Union salaries;
 - c) The Union shall withhold the individual employee's contributions subject to the applicable Salary Cap, and such individual's contributions will not be subject to the pick-up provision of the Program;

Mr. Chris Silvera
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- d) Neither the Member nor the Union shall contribute based on any portion of total salary (MNR and Union combined) over and above the applicable Salary Cap;
- e) The total salary (MN and Union combined) used in all benefit calculations shall also be subject to the applicable Salary Cap;
- f) The Union's payment of its and the individual's contributions will be made in the manner and time frame as prescribed by the Actuary of the MTA Defined Benefit Plan;
- g) Failure to comply with the Actuary's specifications will result in non-recognition of such service credit.

3. The foregoing provisions shall be applicable as of the date of this letter.

Very truly yours,

Gary J. Dellaverson
Director, Labor Relations

I Concur:

F. Christophe Silvera, IBT - Secretary-Treasurer

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: IBT Employer Contribution Rate

Dear Mr. Silvera:

In a separate letter agreement of the same date, the International Brotherhood of Teamsters (hereinafter the "Union") committed to contribute an amount, to be agreed upon by the parties, to Metro North Commuter Railroad (MNR) pursuant to Section 12.1.03(h) of the Defined Benefit Retirement Program for Represented Employees of the Commuter Rails (hereinafter the "Program"). The Agreement covers all Union Officials in the Program on full or part time release from MNR to conduct Union Business. Based upon the Agreement, the Union shall pay to MNR twelve percent (12%) of such Union Official's salary up to the Salary Cap applicable to the covered period. The Union's payment of its 12% employer contribution and the individual's 3% contributions will be made in the manner and time frame as prescribed by the Actuary of the MTA Defined Benefit Plan. Neither the Member nor the Union shall contribute based on any portion of total salary (MNR and Union combined) over and above the applicable Salary Cap. The total salary (MNR and Union combined) used in all benefit calculations shall also be subject to the applicable Salary Caps.

Very truly yours,

Gary J. Dellaverson
Director, Labor Relations

I Concur:

F. Christophe Silvera, IBT - Secretary-Treasurer

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

**Re: Pension Credit for Certain IBT Represented Employees of Metro North
Commuter Railroad**

Dear Mr. Silvera:

This letter agreement modifies the Split Employment Letter Agreement of the same date, with regard to the matters set forth below. Glenn Conklin, Osvaldo A. Loverme, and Fitz-Verity C. Silvera shall receive service credit in Article 12 of the MTA DB Plan beginning on the date they were hired by Metro North Commuter Railroad (MNR) up to July 1, 2007 for all active service with MNR and for all time on unpaid union release. In exchange for receiving service credit for time prior to full and final ratification of this agreement the above mentioned employees agree to the transfer of any and all Vanguard Account balances into the MTA DB Plan.

Further, the above mentioned employees agree that their retirement benefits from the MTA DB Plan shall be offset as if they were entitled to a Tier II Railroad Retirement Benefit for the period beginning on their date of hire by MNR.

Mr. Chris Silvera

Re: Pension Credit for Certain IBT...

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To earn service credit on or after July 1, 2007, the above mentioned employees shall contribute 3% of their gross earnings (effective January 15, 2006) and the Union shall contribute 12% of these employees' gross earnings for all periods after July 1, 2007 for service credit in the MTA DB Plan. For the purpose of this letter, gross earnings shall not exceed the Salary cap for the applicable period.

Very truly yours,

Gary J. Dellaverson
Director, Labor Relations

I Concur:

F. Christophe Silvera, IBT - Secretary-Treasurer

June 8, 2007

Mr. Chris Silvera
Secretary-Treasurer
2243 Jackson Avenue
Long Island City, New York 11101

Re: Retroactive Wages

Dear Mr. Silvera:

This will confirm that Metro-North will make the appropriate arrangements with FASCORP to allow employees to deposit the \$1,000 lump sum payment and the retroactive wage adjustment directly into the employees' 401K account.

This will also confirm that Metro-North will, upon written direction from the Union, adjust the retroactive wage payment for the appropriate Union dues deductions.

Very truly yours,

Raymond Burney
Director, Labor Relations

June 8, 2007

Mr. Chris Silvera
Sec.-Treasurer
IBT - Local 808
22-43 Jackson Ave.
Long Island City, NY 11101

Re: Extension of Self-Help Rights

Dear Mr. Silvera:

This will confirm our agreement that the Memo of Understanding dated June 8, 2007, will be subject to final membership ratification by June 22, 2007.

This will further confirm that Metro-North and IBT Local 808 agree to not engage in any self-help rights under the Railway Labor Act prior to Sept. 1, 2007.

Very truly yours

Raymond Burncy
Director, Labor Relations

I Concur:

F. Christophe Silvera, IBT - Secretary-Treasurer