

Otis Elevator Company
One Farm Springs
Farmington, Connecticut 06032-2600
(860) 676-6000



Otis

A United Technologies Company

October 14, 2008

Mr. James Higgins
Assistant General President
I.U.E.C.
7154 Columbia Gateway Drive
Columbia, MD 21046

Re: NG Door Grievances; Settlement Discussions

Dear Jim:

As you requested, below is Otis' revised offer of settlement for the grievances filed by various local unions regarding Otis' NG Doors. This supersedes Otis' previous offers dated September 8th and October 2nd and is in response to your e-mails including those dated September 16th, September 26th and October 9th. Once again, this offer is made without prejudice to Otis' position that it has not violated the labor contract in any manner or engaged in any wrongdoing.

Otis does not agree with the Union's statement of alleged labor contract violations, but in the interest of resolving this issue harmoniously and without further proceedings, Otis offers the following:

1. Otis will re-design the door lock so that the connection to the contacts in the door lock is made in the field;
2. Otis will eliminate the handy box;
3. Otis will ultimately eliminate the pre-drilled holes used for attaching restrictor angles. However, that re-design will take longer than 120 days to complete. In the interim, until such time as the elimination of those holes is complete, Otis will re-design the door so that the restrictor angles will be attached in the field by means of a field-installed self-tapping screw inserted into a pilot hole;
4. Otis will eliminate the pre-installed fascia bracket;

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- 5. On the Single-Slide and 2-Speed arrangements, the sash weight cable, the bracket at which the sash weight cable terminates, and the sash weight sheave will be re-designed so that those components will be sent pre-installed for shipping purposes only and then can be removed and re-installed in the field in the holes provided by the factory;
- 6. The gib bracket will continue to be shipped attached to the door to continue to satisfy current UL fire-rating requirements. The gib bracket will be re-designed to include six holes provided by the factory to receive fasteners. The fasteners will be installed into the gib bracket in the field into the holes provided by the factory to complete the installation process.

These re-designs will be accomplished no later than 120 days from the execution of this agreement. Otis will pay \$100,000 to a NEI benefit fund to be mutually agreed upon by the parties in full and final settlement for all NG Doors installed until such time as the re-designs are complete.

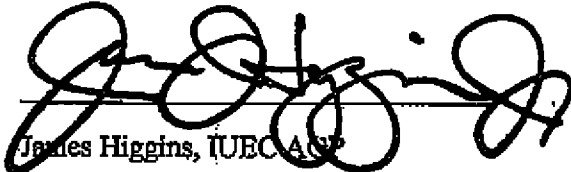
If accepted, this settlement resolves any and all Union claims concerning the NG Door, including the grievances filed by various Local Unions regarding same. If accepted, this settlement is entered into on a non-precedent setting basis and will not be cited by either party in any proceeding, except one to enforce the terms of this settlement agreement. If this is acceptable, please sign below and return to me.

Sincerely,



David P. Powilatis
Director, Labor Relations

Agreed:


James Higgins, IUEC AGP

10/20/08

Date