

December 20, 2004

LOCAL UNIONS AND REGIONAL DIRECTORS

Re: Schindler 9300 Settlement

Dear Brothers and Sisters:

Enclosed is a copy of the settlement agreement with Schindler regarding the 9300 escalator. We feel that most of this settlement is self-explanatory. However, regarding the switches, there is a brief explanation:

To those locals and members that have protected your work jurisdiction by disassembling the switches and reinstalling them, your practice will continue, and the IUEC thanks you for preserving our work.

To those locals that, for whatever reason, have not been disassembling the switches and reinstalling them, well, unfortunately your practice will continue also.

Schindler has agreed to provide a list of jobs where a superintendent has directed IUEC members not to disassemble the 9300 escalator in violation to this agreement. Your help will be needed to verify this list is accurate.

With best wishes, I remain,

Fraternally yours,

James H. Chapman, Jr.

Assistant to the General President

JHC/mrg

Encl.

**SCHINDLER ELEVATOR CORPORATION AND INTERNATIONAL UNION
OF
ELEVATOR CONSTRUCTORS**

SETTLEMENT AGREEMENT REGARDING 9300 ESCALATOR

In full and final settlement of issues in dispute between Schindler and the IUEC over the Schindler 9300 Escalator, including Grievance No. 02-07/IUEC-5 filed on or about January 21, 2004, as well as Case 04-CV-15R filed by Schindler against the IUEC and others in U.S. District Court for the Western District of Kentucky, Schindler and the IUEC agree as follows:

1. Agreement on work to be done in the field:

Balustrade Clamp Support Brackets, Balustrade Clamps and Balustrade Clamp Channels. Units may be shipped from the factory with Balustrade Clamp Support Brackets and Balustrade Clamps attached but not aligned. Units will be shipped with the Balustrade Clamp Channels not placed in the Balustrade Clamps. Schindler will issue written instructions directing field employees that Balustrade Clamp Support Brackets and Balustrade Glass Clamps must be loosened and aligned in the field by Elevator Constructors.

Switches. The parties agree that the local practices regarding installation of switches that are in place on December 14, 2004 will continue to be observed.

Floor Plates. Floor Plates will be installed in the field by Elevator Constructors.

Upper and Lower Combplates. Units may be shipped with Upper and Lower Combplates attached, but they are to be removed and reinstalled in the field by Elevator Constructors.

Stanchions. Stanchions on the upper and lower ends of the unit to which Balustrade Clamps are attached will not be attached by tack welds prior to shipping to the field and will be aligned in the field by Elevator Constructors.

Skirts on the Upper and Lower Curved Sections. Units may be shipped with Skirt Panels on the Upper and Lower Curved Sections attached, but Schindler will instruct field employees that Skirts on the Upper and Lower Curved Section are to be removed in the field and installed by Elevator Constructors. Schindler may continue to ship units with skirts on the incline sections preinstalled and permanently aligned. Skirts on the incline sections will not be removed in the field.

Skirt Brushes. The work of locating and cutting all slots/holes for mounting skirt brushes will be performed in the factory. Skirt brushes and their mounting apparatus will be installed in the field by Elevator Constructors.

2. Grievance 02-07/IUEC-5, filed by the IUEC against Schindler, is considered settled.

3. Schindler will dismiss with prejudice Case 04-CV-15R it filed in U.S. District Court for the Western District of Kentucky as against all Defendants.

4. Arbitrator Render is appointed by the parties to resolve any disputes over implementation of this Agreement the parties cannot resolve directly.

AGREED:

AGREED:

Michael P. Shields
Shindler Elevator Corporation

Jane E. Boyle
IUEC

Dated: 12-14-04

Dated: 12-14-04

Schindler IUEC Settlement Agreement