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February 14, 2011

Brian Carr
Assistant Regional Counsel
New York/Caribbean Superfund Branch
Office of Regional Counsel
U.S. Environmental Protection Agency, Region II
290 Broadway, 17th Floor
New York, NY 10007-1866

Re: O-Z Gedney Company LLC Response to Request for Information Pursuant to
Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.
Sections 9601-9675– Gowanus Canal Superfund Site, Brooklyn, Kings County, New
York

Dear Mr. Carr:

Enclosed please find the enclosed response on behalf of O-Z Gedney Company LLC
to your Request for Information dated Nov. 3, 2010.

As I mentioned to you in our telephone conversation on February 1, 2011, O-Z
Gedney Company LLC was not the owner or operator of, and is not the successor-in-
interest to any entity that was the owner or operator of, the facility identified at 262-
270 Bond Street, Brooklyn, New York.

If you have any questions, I may be reached at 202-663-9298.

Sincerely yours,

William A. Wilcox Jr.

cc: Christos Tsiamis, Remedial Project Manager, New York Remediation Branch,
Emergency and Remedial Response Division, U.S. Environmental Protection Agency
Region II, 290 Broadway, 20th Floor, New York, NY 10007-1866

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION
GOWANUS CANAL SUPERFUND SITE

State of District of Columbia

County of _____:

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that my Company is under a continuing obligation to supplement its response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my Company's response thereto should become known or available to the Company.

William A. Wilcox, Jr.

NAME (print or type)

Senior Associate

TITLE (print or type)



SIGNATURE

Sworn to before me this
3rd day of February 2011.


Notary Public

JANELLA L. JAMES
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires October 14, 2014

Response of O-Z Gedney Company LLC to USEPA Request for Information Regarding
Gowanus Canal Superfund Site

Pursuant to the above-referenced Request for Information dated November 3, 2010, O-Z Gedney Company LLC ("O-Z Gedney"), on information and belief, provides its responses as follows:

1. Please provide the following information on your Company:
 - a. Identify the state and date of incorporation of the Company and the Company's agents for service of process in the state of incorporation and in New York State.

O-Z Gedney was incorporated in the State of Delaware on September 10, 1997. Its Delaware and New York registered agent is The Corporation Trust Company.

- b. Please identify the Chief Executive Officer or other presiding officer of the Company. Please also confirm the mailing address of that officer.

Eric W. Meyer is President of O-Z Gedney. His mailing address is: 9377 W. Higgins Road, Rosemont, IL 60018.

- c. What is the nature of the business conducted by your Company?

O-Z Gedney manufactures and distributes electrical construction material and related products.

- d. If your Company is a subsidiary, division, branch or affiliate of another corporation or other entity, identify each of those other entities and those entities' Chief Executive Officers or other presiding officers. Identify the state of incorporation and agents for service of process in the state of incorporation and in New York State for each entity identified in your response to this question.

A graphical depiction of O-Z Gedney's ownership structure is attached to this response as [Attachment 1].

GSEG LLC ("GSEG") owns O-Z Gedney. Eric W. Meyer is President of GSEG. GSEG is incorporated in the State of Delaware. Its Delaware registered agent is The Corporation Trust Company. It is not qualified to do business in the State of New York.

EGS Electrical Group LLC ("EGS") owns GSEG. Eric W. Meyer is President of EGS. EGS is incorporated in the State of Delaware. Its Delaware registered agent is The Corporation Trust Company. It is not qualified to do business in the State of New York.

SPX Corporation ("SPX") has a 44.5% ownership interest in EGS. Christopher J. Kearney is Chairman, President, and Chief Executive Officer of SPX. SPX is incorporated in the State of Delaware. Its Delaware registered agent is The Corporation Trust Company. Its New York registered agent is CT Corporation System. SPX is not a subsidiary, division, branch or affiliate of any other corporation or entity.

Apple JV Holding Corp. ("Apple") has a 55.5% ownership interest in EGS. Eric W. Meyer is President of Apple. Apple is incorporated in the State of Delaware. Its Delaware registered agent is The Corporation Trust Company. It is not qualified to do business in the State of New York.

EECO, Inc. ("EECO") owns Apple. Donald J. Puglisi is President of EECO. EECO is incorporated in the State of Delaware. Its Delaware registered agent is The Corporation Trust Company. It is not qualified to do business in the State of New York.

Emerson Electric Co. ("Emerson") owns EECO. David N. Farr is Chief Executive Officer of Emerson. Emerson is incorporated in the State of Missouri. Its Missouri registered agent is Frank Steeves. Its New York Registered Agent is The Corporation Trust Company.

2. Is your Company a successor-in-interest to any company which owned property and/or operated in the vicinity of the Gowanus Canal, including those companies identified in Definition 6, above? If your answer is no, please identify the successor-in-interest to each entity identified in Definition 6, above, state the factual basis for your answer to this question, and provide documentation to support your answer.

O-Z Gedney Company LLC does not and has not owned or operated, nor is it the successor-in-interest to any company which owned and/or operated, any property in the vicinity of the Gowanus Canal. O-Z Gedney Company LLC was first formed on September 10, 1997 in connection with the formation of a joint venture dated September 15, 1997 called EGS Electrical Group LLC ("EGS") between Appleton Electric Company, a subsidiary of Emerson Electric Co., General Signal Corporation ("GS"), and GS's subsidiary, G.S. Building Systems Corporation ("GSBSC"). GS was then a publicly-traded company which was subsequently acquired by SPX Corporation. O-Z Gedney Company LLC is a subsidiary of GSEG LLC which in turn is a subsidiary of EGS, the joint venture entity.

Under the GS Reorganization Agreement [Attachment 2], on September 15, 1997, limited, specified assets then used by GS and GSBSC in their electrical business were transferred to O-Z Gedney Company LLC and its parent, GSEG LLC. Only one property in Brooklyn, New York – the leased property at 1101 Elton St., which was located between Elton St. and Linwood St. – was transferred to the new entities (see sections 2(b)(i) and (ii) of the GS Reorganization Agreement). GS and GSBSC did not contribute any entities to O-Z Gedney LLC. Under the GS Contribution Agreement [Attachment 3], GS transferred all of the equity in GSEG LLC, including O-Z Gedney LLC, to EGS. The assets contributed to the EGS joint venture under the GS Contribution Agreement only included one property in Brooklyn, New York, which was the Elton St. facility. O-Z Gedney Company LLC is not a successor in interest to the historic O-Z/Gedney entity that operated the Bond Street facility. Additional information providing the basis for this response is supplied in response to Question 3.a. below.

3. Please describe in detail the manufacturing processes and any other operations conducted by your Company at the Facilities, as defined in Definition 9, above, and identify the years in which it owned and/or conducted operations there. If those operations were not

constant, describe the nature of all changes in operations and state the year of each change.

- a. During what years did your Company operate at the Facilities?

Definition 9 provides as follows: "The term 'Facilities' shall mean the former OZ/Gedney facility at 262-270 Bond Street, Brooklyn, New York which may have operated from the 1960's until approximately 1996. In addition, the term 'Facilities' shall mean any other parcel in the immediate vicinity of the Gowanus Canal which your Company or its predecessors or affiliated entities previously owned and/or operated. Separately identify all such additional Facilities in your responses to the questions below."

As described in response to Question 2 above, O-Z Gedney never operated the Bond Street facility. With respect to operations of O.Z. Electric Manufacturing Co., Inc. ("O.Z. Electric"), although O-Z Gedney is unable to provide a precise answer to this question because what limited information it is able to locate on the subject Facilities lacks precision and is based on anecdotal evidence, it is apparent that the Bond Street facility did not operate as late as 1996, as described in Definition 9. According to Jim Sommer, former environment, safety and occupational health manager to O-Z Gedney when it was wholly owned by General Signal and later was part of the EGS joint venture, Bond Street operations were discontinued prior to his employment with the company in 1985, and operations were moved to a facility located at 1101 Elton Street, Brooklyn, New York. This Elton Street facility was located approximately 7 miles from the Bond Street facility and was not located in the immediate vicinity of the Gowanus Canal. The Elton Street facility was the only O-Z Gedney asset in Brooklyn that was transferred with the GSEG assets to the EGS joint venture. O-Z Gedney ceased operations at the Elton Street facility in 2000.

- b. During what years did your Company own all or any portion of the Facilities?

Other than as described in response to Question 3.a above, O-Z Gedney is unable to identify any documents or information responsive to this question.

- c. During the period of your Company's use of the Facilities, did your Company lease any portion of the Facilities to one or more other entities? If so, please identify the entity, the nature of its operations, and provide copies of leases.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- d. Please provide a copy of documents which effectuated your Company's acquisition and, if no longer owned, sale of the Facilities property.

As explained in response to Question 2 above, O-Z Gedney did not acquire, own, or sell the Facilities property. O-Z Gedney is not in possession of any documents pertaining to this facility.

4. With respect to hazardous substances, hazardous wastes and industrial wastes at the Facilities:

- a. List all hazardous substances, hazardous wastes and industrial wastes that were used, stored, generated, handled or received by your Company at the Facilities. Be as specific as possible in identifying each chemical, and provide, among other things, the chemical name, brand name, and chemical content.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- b. State when each hazardous substance, hazardous waste and industrial waste identified in your response to question 4.a., above, was used, stored, generated, handled or received and state the volume of each hazardous substance, hazardous waste and industrial waste used, stored, generated or handled on an annual basis.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- c. Describe the activity or activities in which each hazardous substance, hazardous waste and industrial waste identified in your response to question 4.a., above, was used, stored, handled or received.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- d. Show the location of the hazardous substances, hazardous wastes and industrial wastes identified in your response to question 4.a., above through a map or diagram of each Facility ("Facility Plan").

O-Z Gedney is unable to identify any documents or information responsive to this question.

- e. In addition to the Facility Plans, provide floor plans of the Facilities, both current (if still in operation) and past reflecting changes over the period in which the Facilities were in operation. The floor plan should depict all drainage sumps and above-ground and below-ground discharge piping and above-ground and underground storage tanks.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- f. If your Company has performed dock or bulkhead repairs or construction at the Facilities, please describe the dates, scope and extent of such work, and provide documents relating to such work.

O-Z Gedney is unable to identify any documents or information responsive to this question.

5. a. What did your Company do with the hazardous wastes, hazardous substances, and industrial wastes that it used, stored, generated or otherwise handled at the Facilities after it was finished with them? Describe in detail how and where the hazardous substances, hazardous wastes and industrial wastes identified in response to question 4 above were disposed. For each disposal location and method, state the nature and quantity of the material disposed of on an annual basis.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- b. If any hazardous substances, hazardous wastes and industrial wastes ever were removed from the Facilities for disposal or treatment, state the names and addresses of the transporters and disposal facilities used and the period during which each such transporter and disposal site was used. If you are unaware of the ultimate disposal location of any of the hazardous substances, hazardous wastes and industrial wastes that were removed from the Facilities, state the nature and quantity of the particular materials in question and the names and addresses of the companies or individuals who removed the materials from the Facilities.

O-Z Gedney is unable to identify any documents or information responsive to this question.

- c. Were any hazardous substances, hazardous wastes and industrial wastes ever disposed of at the Facilities by your Company or any of its officers, employees, agents or representatives, or anyone else, either intentionally or unintentionally (in a manner other than those already identified in your responses to 5.a-b., above)? Your answer to this question should address, but not be limited to, instances in which hazardous substances, hazardous wastes, and industrial wastes were spilled or otherwise disposed onto or into the ground from drums, tanks, or any other containers, as well as instances in which drums or other containers containing any volume whatsoever of hazardous substances, hazardous wastes and industrial wastes caught fire. For each disposal identified in your response to this question:

- i. Identify the locations at the Facilities where such disposal occurred;
- ii. State the periods during which such disposal occurred at each area identified in your response to Question 5.c.i., above;
- iii. Identify each of the materials disposed of at the Facilities, including the chemical content, characteristics, and form (solid, liquid, sludge or gas) of the material;
- iv. Describe the method of disposal used;
- v. Describe how the material was containerized (if at all) at the time of the disposal; and
- vi. State the quantity of each such material that was disposed of at the Facilities.

O-Z Gedney is unable to identify any documents or information responsive to this question.

6. If the Facilities had bulk storage of petroleum or chemicals, please state the nature and location of the materials stored, including the types of petroleum products and additives handled at any time during operation of the Facilities, show the location of storage tanks on the Facility Plans, and provide all documents related to the permitting, inspection, maintenance, product inventory levels, cleaning or closure of such tanks.

- ii. notices of violations of environmental laws and regulations;
- iii. sampling results;
- iv. cleanup documents, including orders, Phase 1 or Phase 2 studies, remedial investigations, state Superfund, brownfields or voluntary cleanup program documents;
- v. spill reports; and
- vi. any submissions to the environmental agencies, including but not limited to, the New York State Department of Environmental Conservation, the city, county or state Department of Health, the New York City Department of Environmental Protection, the U.S. Coast Guard and EPA.

O-Z Gedney is unable to identify any documents or information responsive to this question.

9. Were barges or other vessels utilized in operations at the Facilities? If so, provide the following information:

- a. the period of vessel operations;
- b. the location of vessel transfers;
- c. the nature of materials transferred to or from vessels;
- d. the nature of vessel cleaning operations, if any, including what cleaning methods were used and how cleaning waste was handled;
- e. the nature of any vessel maintenance, construction or repair operations, if any;
- f. what spill prevention controls were utilized; and
- g. a detailed description of any vessel-related releases, including the name of the vessel and its owner.

O-Z Gedney is unable to identify any documents or information responsive to this question.

10. Did operations at the Facilities utilize an on-site fleet of vehicles or otherwise generate or accept used oil? If so, describe in detail the used oil management practices during the period of the Facilities' operations, including the number of vehicles serviced on-site, the volume of waste oil generated, how the waste oil was stored pending disposal, and the method and location of waste oil disposal.

O-Z Gedney is unable to identify any documents or information responsive to this question.

11. Was coal stored, burned or otherwise utilized in operations at the Facilities? If so, provide the following information:

- a. the purpose for which coal was present at the Facilities; the location and manner of coal storage at the Facilities;
- b. the time period during which coal was present at the Facilities;
- c. the annual volume of coal handled at the Facilities; and
- d. identify all coal storage, shipment, transfer and process locations on the Facility Plan.

O-Z Gedney is unable to identify any documents or information responsive to this question.

12. Did the Facilities' operations include tank cleaning? If so, describe in detail the Facilities' tank cleaning practices during the period of operations, including the number of tanks on-site, the frequency and method of tank cleaning, the volume of tank cleaning waste generated, and the method and location of tank cleaning waste disposal.

O-Z Gedney is unable to identify any documents or information responsive to this question.

13. Identify each of the discharge locations at the Facilities, including but not limited to, pipes, drains, sumps, sewer connections and tanks. Describe each discharge location's purpose and use, show the location of each discharge point on the Facility Plan, and indicate whether it discharged to the Gowanus Canal, to the ground, the sewer or other location(s).

O-Z Gedney is unable to identify any documents or information responsive to this question.

14. Did or do any of your Company's Facilities have discharge or waste permits, including but not limited to, a National or State Pollutant Discharge Elimination System ("NPDES" or "SPDES"), RCRA permit, or New York City industrial waste discharge permit? If so, identify the Facilities and the period during which the Facilities has had a discharge permit. In addition, please provide copies of all documents since the initial permit, including but not limited to, permits, notices of violations, sampling analysis which document discharges in excess of permit limits, and administrative settlement orders for violations.

O-Z Gedney is unable to identify any documents or information responsive to this question.

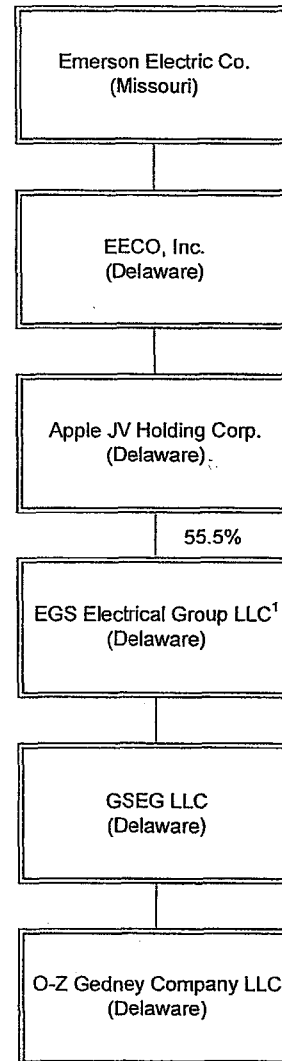
15. Please describe the closure of the Facilities, if applicable. Your answer should include, but not be limited to, when the closure of the Facilities occurred; how waste material was disposed of, and whether any waste material was left onsite. In addition, describe any further closure work that was undertaken at the time any portion of any of the Facilities were transferred.

O-Z Gedney is unable to identify any documents or information responsive to this question.

Attachment 1

O-Z GEDNEY COMPANY LLC Ownership Structure

Friday, December 03, 2010



¹ SPX Corporation owns the remaining 44.5% interest in EGS Electrical Group LLC

Attachment 2

GENERAL SIGNAL REORGANIZATION AGREEMENT

AGREEMENT dated as of September 15, 1997 among General Signal Corporation, a New York corporation ("**General Signal**"), and G. S. Building Systems Corporation, a Connecticut corporation ("**GSBSC**"), GSEG LLC, a limited liability company organized under the laws of the State of Delaware and a wholly-owned subsidiary of General Signal ("**G1**"), and O-Z/Gedney Company LLC, a limited liability company organized under the laws of the State of Delaware and a wholly-owned subsidiary of G1 ("**G2**").

WITNESSETH

WHEREAS, General Signal, through its unit, the General Signal Electrical Group ("**GSEG**"), conducts a business which manufactures, sells, distributes, services and repairs certain products, the assets of which are currently owned by General Signal, GSBSC and GS Limited (the "**GSEG Business**");

WHEREAS, on August 29, 1997, Appleton Electric Co., a Delaware corporation ("**Appleton**"), formed EGS Electrical Group LLC, a limited liability company organized under the laws of the State of Delaware ("**EGS**"), and entered into the EGS Limited Liability Company Agreement with General Signal ("**Original EGS Agreement**");

WHEREAS, on September 10, 1997, General Signal formed G1 and thereafter on that date formed G2;

WHEREAS, effective as of September 15, 1997, General Signal, GSBSC, G1 and G2 are entering into this Agreement in order to contribute to G1 and G2 substantially all the assets of the GSEG Business and to have G1 and G2 assume substantially all the liabilities of GSEG Business in anticipation thereafter of contributing the equity interests of G1 to EGS;

WHEREAS, following and conditioned on the consummation of the transactions contemplated hereby, General Signal and GSBSC desire to contribute the equity interests of G1 to EGS pursuant to the General Signal Contribution Agreement proposed to be entered into among Emerson Electric Co., a Missouri corporation ("**Emerson**"), General Signal and EGS in the form attached as Exhibit A ("**General Signal Contribution Agreement**");

WHEREAS, following and conditioned on the consummation of the transactions contemplated by the General Signal Contribution Agreement and

substantially similar transactions contemplated to be consummated with respect to the contribution to EGS of the equity interests of Appleton Electric LLC, a limited liability company organized under the law of the State of Delaware ("A1"), EGS, General Signal, GSBSC, Emerson and Appleton wish to replace the Original EGS Agreement with an Amended and Restated Limited Liability Agreement providing for the continuance of EGS as a limited liability company on the terms set forth therein.

The parties hereto agree as follows:

SECTION 1. *Definitions.* (a) The following terms, as used herein, have the following meanings:

"Active Employee" means any individual who is presently (i) actively employed by Appleton or (ii) would be presently so actively employed but for absence due to vacation, workers' compensation, short-term disability leave, military leave, leave under the Family and Medical Leave Act or layoff with recall rights.

"Insured Liabilities" means any liabilities that are covered by an insurance policy of General Signal, other than any liabilities of any nature whatsoever arising out of an Environmental Law, including liabilities relating to the presence or release of, or the exposure to, Hazardous Substances.

"Real Property" means all real property owned, operated, leased or used by General Signal or any of its Subsidiaries in connection with the GSEG Business as of the date hereof.

"Tax Asset" means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute which could reduce Taxes (including without limitation deductions and credits related to alternative minimum Taxes).

"Tax Indemnity Entity" means Dual-Lite Manufacturing, Inc., G1, G2, Terasaki Nelson Limited and their respective Subsidiaries.

"Tax Sharing or Indemnity Agreement" means all Tax sharing or Tax indemnity agreements or arrangements (whether or not written) created or entered into before the Closing and binding any of the Tax Indemnity Entities, including without limitation any agreements or arrangements (other than agreements and arrangements clearly contemplated by this agreement or the General Signal Contribution Agreement) which (i) afford any other person the benefit of any Tax Asset of any of the Tax Indemnity Entities; (ii) require any Tax Indemnity Entities

to take into account any income, revenues, receipts, gain, or any Tax items of any other person in determining the Tax Indemnity Entities' Tax liability; or (iii) require any Tax Indemnity Entities to make any payment to or otherwise indemnify any other person in respect of any Tax.

(b) Capitalized terms not otherwise defined herein have the meanings set forth in the General Signal Contribution Agreement.

SECTION 2. *Contribution of Assets.* (a) *Contribution to G1.* Except as otherwise provided in Sections 3 and 7, General Signal and GSBSC do hereby transfer, assign and deliver, or cause to be transferred, assigned and delivered, to G1, and G1 does hereby accept, right, title and interest in, to and under the following assets, properties and business of General Signal and GSBSC, wherever located, whether real, personal or mixed, tangible or intangible, owned, held or used primarily in the conduct of the GSEG Business as the same shall exist on the date hereof (the "**G1 Contributed Assets**"):

(i) all of the equity interest of G2;

(ii) all of the outstanding capital stock of Dual-Lite Manufacturing, Inc. and all of their equity interest in Terasaki Nelson Limited;

(iii) all Intellectual Property Rights (excluding the following names or logos: GENERAL SIGNAL and the General Signal logo and any variations thereon and any Intellectual Property Rights not used in the GSEG Business (the "**GS Rights**") and excluding certain Intellectual Property Rights listed under Section 3 below) and any applications for the same, in each case owned or licensed by General Signal or any Affiliate of General Signal and used or held or held for use in the GSEG Business;

(iv) a lease of the Real Property located in Farmington, Connecticut (the "**G1 Site**"), together with all buildings, fixtures, and improvements erected thereon;

(v) all tangible personal property and interests at the G1 Site, including machinery, equipment, furniture, office equipment, communications equipment, vehicles, storage tanks, spare and replacement parts, fuel and other tangible property;

(vi) all prepaid expenses, including but not limited to ad valorem taxes, leases and rentals, relating to the G1 Site;

- (vii) all petty cash located at the G1 Site ("**G1 Petty Cash**");
- (viii) all transferable licenses, permits or other governmental authorization affecting, or relating in any way to, the GSEG Business at the G1 Site;
- (ix) all raw materials, work-in-process, finished goods, supplies and other inventories at the G1 Site;
- (x) all rights, claims, credits, causes of action or rights of set-off of General Signal or any Affiliate of General Signal against third parties relating to the Contributed Assets (as defined below) at the G1 Site, including, without limitation, unliquidated rights under manufacturers' and vendors' warranties;
- (xi) all rights under all contracts, agreements, leases, licenses, commitments, sales and purchase orders and other instruments relating to the G1 Site (collectively, the "**G1 Contracts**");
- (xii) all accounts, notes and other receivables relating to the G1 Site;
- (xiii) all books, records, files and papers, whether in hard copy or computer format, used in the GSEG Business at the G1 Site (or copies thereof in the case of books, records, files and papers used both in the GSEG Business at the G1 Site and by any other Affiliate of General Signal outside the GSEG Business at the G1 Site), including, without limitation, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present and former suppliers, lists of present and former customers, personnel and employment records, and any information relating to any Tax imposed on the Contributed Assets relating to the G1 Site; and
- (xiv) all goodwill associated with the GSEG Business or the Contributed Assets, in each case, at the G1 Site, together with the right to represent to third parties that G1 is the successor to the GSEG Business at the G1 Site.

(b) *Contribution to G2.* Except as otherwise provided in Sections 3 and 7, General Signal and GSBSC do hereby transfer, assign and deliver, or cause to be transferred, assigned and delivered, to G2, and G2 does hereby accept, right, title and interest in, to and under the following assets, properties and business of General Signal and GSBSC, wherever located, whether real, personal or mixed,

tangible or intangible, owned, held or used primarily in the conduct of the GSEG Business as the same shall exist on the date hereof (the “G2 Contributed Assets” and together with the G1 Contributed Assets, the “Contributed Assets”):

- (i) leases or subleases of the Real Property listed on Schedule 2(b)(i);
- (ii) fee simple title to the Real Property listed on Schedule 2(b)(ii) (together with the real property set forth in Section 2(b)(i), the “G2 Sites”), in each case together with all buildings, fixtures, and improvements erected thereon;
- (iii) all tangible personal property and interests at the G2 Sites, including machinery, equipment, furniture, office equipment, communications equipment, vehicles, storage tanks, spare and replacement parts, fuel and other tangible property;
- (iv) all prepaid expenses, including but not limited to ad valorem taxes, leases and rentals relating to the G2 Sites;
- (v) all petty cash located at the G2 Sites (“G2 Petty Cash”, together with G1 Petty Cash, “Petty Cash”);
- (vi) all transferable licenses, permits or other governmental authorization affecting, or relating in any way to, the GSEG Business at the G2 Sites;
- (vii) all raw materials, work-in-process, finished goods, supplies and other inventories at the G2 Sites;
- (viii) all rights, claims, credits, causes of action or rights of set-off of General Signal or any Affiliate of General Signal against third parties relating to the Contributed Assets at the G2 Sites, including, without limitation, unliquidated rights under manufacturers’ and vendors’ warranties;
- (ix) all rights under all contracts, agreements, leases, licenses, commitments, sales and purchase orders and other instruments relating to the G2 Sites, (collectively, the “G2 Contracts” and together with the G1 Contracts, the “Contracts”);
- (x) all accounts, notes and other receivables relating to the G2 Sites;

(xi) all books, records, files and papers, whether in hard copy or computer format, used in the GSEG Business at the G2 Sites (or copies thereof in the case of books, records, files and papers used both in the GSEG Business at the G2 Sites and by any other Affiliate of General Signal outside the GSEG Business at the G2 Sites), including, without limitation, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present and former suppliers, lists of present and former customers, personnel and employment records, and any information relating to any Tax imposed on the Contributed Assets relating to the G2 Sites;

(xii) all goodwill associated with the GSEG Business or the Contributed Assets, in each case at the G2 Sites, together with the right to represent to third parties that G2 is the successor to the GSEG Business at the G2 Sites; and

(xiii) all other assets, properties and business of General Signal and GSBSC that are not being contributed to G1 pursuant to Section 2(a) above (other than the Excluded Assets), wherever located, whether real, personal or mixed, tangible or intangible, which are owned, held or used primarily in the conduct of the GSEG Business as the same shall exist on the date hereof.

SECTION 3. *Excluded Assets.* Each of G1 and G2 expressly understands and agrees that the following assets and properties of General Signal and GSBSC (the "**Excluded Assets**") shall be excluded from the Contributed Assets:

(a) all cash and cash equivalents of General Signal and its Subsidiaries on hand and in banks, except for Petty Cash;

(b) insurance policies of General Signal;

(c) except to the extent provided in Section 8 or in Article 8 to the General Signal Contribution Agreement, any assets of any trust associated with any employee benefit plan;

(d) the GS Rights and the following names and logos to be retained by General Signal and licensed to G1 pursuant to the Trademark License Agreements: EDWARDS, SOLA and HEVI-DUTY;

(e) all right, title and interest in, to and under the assets, properties and business of the Edwards Signaling division of GSEG

located in Canada, whether real, personal or mixed, tangible or intangible, owned or held;

(f) all personal property and interests to be retained by General Signal or its Subsidiaries pursuant to or contemplated by the Supply Agreements and Distribution Agreements, including machinery, equipment, furniture, office equipment, communications equipment, vehicles, storage tanks, spare and replacement parts, fuel and other tangible property;

(g) the GS Rights and all other intangible personal property and interests to be retained by General Signal and its Subsidiaries pursuant to the Technology License Agreements, the Patent License Agreement and the Trademark License Agreements;

(h) fee simple title to the real property located in Terryville, Connecticut and Cheshire, Connecticut;

(i) all intercompany long term debt to the extent carried on the books of the GSEG Business as a negative amount and short-term investments representing interests in the General Signal cash pools; and

(j) any deferred Tax asset, refund, net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute (other than Tax basis of the Contributed Assets) which could reduce Taxes arising prior to the date hereof.

SECTION 4. *Assumed Liabilities.* (a) Upon the terms and subject to the conditions of this Agreement, G1 agrees to assume all debts, obligations, contracts and liabilities of General Signal and its Affiliates of any kind, character or description (whether known or unknown, accrued, absolute, contingent or otherwise) relating to or arising out of the conduct of the GSEG Business at the G1 Site, except for the Excluded Liabilities (the "**G1 Assumed Liabilities**"), including without limitation, the following:

(i) all liabilities and obligations arising from any claim or from any action, suit, investigation or proceeding relating to or arising out of the GSEG Business or the Contributed Assets, in each case, at the G1 Site, whether presently existing or arising hereafter, against General Signal or its Affiliates or any Contributed Asset at the G1 Site before any court or arbitrator or any governmental body, agency or official, but excluding (subject to Section 5(c)) all Insured Liabilities;

(ii) all liabilities and obligations relating to any products manufactured or sold by the GSEG Business at the G1 Site, including, without limitation warranty obligations and product liabilities;

(iii) all liabilities and obligations of General Signal and its Affiliates arising under the Contracts relating to the G1 Site; and

(iv) all Environmental Liabilities at the G1 Site other than Excluded Environmental Liabilities.

(b) Upon the terms and subject to the conditions of this Agreement, G2 agrees to assume all debts, obligations, contracts and liabilities of General Signal and its Affiliates of any kind, character or description (whether known or unknown, accrued, absolute, contingent or otherwise) relating to or arising out of the conduct of the GSEG Business, except for the Excluded Liabilities (the "G2 Assumed Liabilities" and together with the G1 Assumed Liabilities, the "Assumed Liabilities"), including without limitation, the following:

(i) all liabilities and obligations of General Signal and its Affiliates arising after the date hereof out of the Assistance Agreement between the State of Connecticut Acting by the Department of Economic Development and O-Z/Gedney Company;

(ii) all liabilities and obligations of General Signal and its Affiliates arising out of the \$3.7 million Industrial Revenue Bonds relating to the property located in La Grange, Georgia.

(iii) all liabilities and obligations arising from any claim or from any action, suit, investigation or proceeding relating to or arising out of the GSEG Business or the Contributed Assets, in each case, at the G2 Sites whether presently existing or arising hereafter against General Signal or its Affiliates or any Contributed Asset at the G2 Sites before any court or arbitrator or any governmental body, agency or official, but excluding (subject to Section 5(c)) all Insured Liabilities;

(iv) all liabilities and obligations relating to any products manufactured or sold by the GSEG Business at the G2 Sites, including, without limitation warranty obligations and product liabilities;

(v) all liabilities and obligations of General Signal and its Affiliates arising under the Contracts relating to the G2 Sites;

(vi) all Environmental Liabilities at the G2 Sites other than Excluded Environmental Liabilities; and

(vii) all other liabilities and obligations of General Signal, GSBSC and GS Limited that are not being assumed by G1 pursuant to Section 4(a) above (other than the Excluded Liabilities), whether known or unknown, accrued, absolute, contingent or otherwise, to the extent relating to or arising out of the conduct of the GSEG Business as the same shall exist on the date hereof.

SECTION 5. *Excluded Liabilities.* Notwithstanding any provision in this Agreement or any other writing to the contrary, G1 and G2 are assuming only the Assumed Liabilities and are not assuming any other liability or obligation of General Signal or its Affiliates (or any predecessor of General Signal or any prior owner of all or part of its businesses and assets) of whatever nature, whether presently in existence or arising hereafter. All such other liabilities and obligations shall be retained by and remain obligations and liabilities of General Signal (all such liabilities and obligations not being assumed being herein referred to as the "Excluded Liabilities"), and, notwithstanding anything to the contrary in this Section, all of the following shall be Excluded Liabilities for the purposes of this Agreement:

(a) any liability or obligation for Taxes arising from or relating to periods prior to the date hereof;

(b) any liability or obligation for withholding on amounts paid to or by Terasaki Nelson Limited from or relating to periods prior to the date hereof;

(c) except to the extent provided in Section 8 or Article 8 to the General Signal Contribution Agreement, any liability or obligation relating to employee benefits or compensation arrangements existing on or prior to the date hereof, including, without limitation, any liability or obligation under any employee benefit agreements, plans or other arrangements of General Signal or any of its Subsidiaries (other than G1 or any of its Subsidiaries);

(d) any Insured Liability existing on or prior to the date hereof; *provided* that G1 or G2 will reimburse General Signal for any applicable deductible or expenses relating to each such liability in an amount not to exceed \$1.0 million;

(e) any Debt of the GSEG Business (other than the \$3.7 million Industrial Revenue Bonds relating to the property located in La Grange, Georgia);

(f) any liability or obligation of a Tax Indemnity Entity arising as a result of a Tax Sharing or Indemnity Agreement;

(g) any liability to the extent it relates to operations, assets, product lines or owned or leased real property which was at one time owned by or operated in connection with the GSEG Business but which has been sold, disposed of, terminated or discontinued on or prior to the date hereof;

(h) subject to the pro rata sharing of such liability pursuant to a side letter, any liability or obligation of General Signal and its Affiliates arising out of the Assistance Agreement by and between the State of Connecticut Acting by the Department of Economic and Community Development and GSBSC;

(i) any liability or obligation primarily relating to an Excluded Asset (other than all Environmental Liabilities relating to Real Property; subject to Article 9 of the General Signal Contribution Agreement); and

(j) any Excluded Environmental Liability.

SECTION 6. *Further Assurances.* General Signal and GSBSC agree to deliver, or cause to be delivered, including, without limitation by GS Limited, to G1, G2 and any of their Affiliates such deeds, bills of sale, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment as the parties shall deem reasonably necessary or appropriate to vest in G1, G2 and any of their Affiliates all right, title and interest in, to and under the Contributed Assets.

SECTION 7. *Assignment of Contracts and Rights.* Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contributed Asset or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Contributed Asset or in any way adversely affect the rights of G1, G2 or General Signal or its Affiliates thereunder. General Signal, G1 and G2 will use their best efforts (but without any payment of money by General Signal or any of its Affiliates or G1 or any of its Affiliates) to obtain the consent of the other parties to any such Contributed Asset or any claim or right or any benefit arising

thereunder for the assignment thereof to G1 or G2 as G1 or G2, as the case may be, may request. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of General Signal thereunder so that G1 or G2, as the case may be, would not in fact receive all such rights, General Signal and G1 or G2, as the case may be, will cooperate in a mutually agreeable arrangement under which G1 or G2, as the case may be, would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including sub-contracting, sub-licensing, or sub-leasing to G1 or G2, as the case may be, or under which General Signal would enforce for the benefit of G1 or G2, as the case may be, with G1 or G2, as the case may be, assuming General Signal's obligations, and any and all rights of General Signal against a third party thereto. General Signal will promptly pay to G1 or G2, as the case may be, when received all monies received by General Signal under any Contributed Asset or any claim or right or any benefit arising thereunder, except to the extent the same represents an Excluded Asset.

SECTION 8. *Employees; Benefit Plans.* G1 hereby employs all of the Active Employees in the same positions, at the same rates of compensation, and at the same locations at which such individuals were employed by General Signal immediately prior to the date hereof, and General Signal hereby ceases to employ such individuals; *provided* that G1 may designate some or all of such employees, in its discretion, as employees of G2; and *provided further* that if any such individual ceases to be actively employed (other than as a result of the reasons set forth in clause (ii) of the definition of "Active Employee") by reason of vacation or sick leave) between the date hereof and the Closing Date, such individual shall immediately cease to be an employee of G1 or G2, and General Signal shall retain or assume all liabilities (including without limitation liability for any disability or severance benefits) with respect to such individual. Employees of G1 and G2 shall continue to participate until the Closing Date in employee benefit plans and arrangements maintained by General Signal on the same terms upon which such employees participated immediately prior to the date hereof (and all liabilities with respect to such plans and arrangements shall be Excluded Liabilities hereunder), except that:

(a) Prior to the Closing Date G1 shall establish for its and G2's nonunion employees new defined benefit retirement plans that comply with the requirements of Section 8.05(c) of the General Signal Contribution Agreement (the "G1 Pension Plans"). As of the date of such establishment, nonunion employees of G1 and G2 shall cease to accrue benefits under the General Signal Pension Plans (as defined in the General Signal Contribution Agreement) and shall commence to accrue benefits under the G1 Pension Plans in accordance with the terms set forth in Section 8.05(c) of the General Signal Contribution Agreement;

(b) Prior to the Closing Date G1 shall adopt and participate in the General Signal 401(k) Plan (as defined in the General Signal Contribution Agreement) on the terms set forth in Section 8.04(b) of the General Signal Contribution Agreement; and

(c) As of the date hereof, G1 hereby assumes all liabilities of General Signal with respect to G1's and G2's employees under the General Signal Corporation Benefit Equalization Plan.

SECTION 9. *Amendments and Waivers.* (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 10. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

SECTION 11. *Governing Law.* This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to the conflicts of law rules of such state.

SECTION 12. *Counterparts; Third Party Beneficiaries.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 13. *Entire Agreement.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this

Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

SECTION 14. *Captions.* The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

GENERAL SIGNAL CORPORATION

By: Joanne L. Doherty
Name: Joanne L. Doherty
Title: Senior Vice President

G.S. BUILDINGS
SYSTEMS CORPORATION

By: Joanne L. Doherty
Name: Joanne L. Doherty
Title: Vice President

GSEG LLC

By: Joanne L. Doherty
Name: Joanne L. Doherty
Title: Secretary

O-Z/GEDNEY COMPANY LLC

By: Joanne L. Doherty
Name: Joanne L. Doherty
Title: Secretary

Schedule 2(b)(i)
Leased Premises

<u>Location</u>	<u>Use</u>	<u>Current Monthly</u>	
		<u>Base Rental</u>	
BURBANK, CA	Warehouse	\$	4,210
BRISTOL, CT	Warehouse	\$	2,148
BURLINGAME, CA	Sales	\$	650
EAST GRANBY, CT	Factory/Warehouse	\$	15,982
BOULDER, CO	Sales	\$	583
MARIETTA, GA	Sales	\$	600
EAST HAMPSTEAD, NH	Sales	\$	350
BROOKLYN, NY	Factory	\$	36,000
SPARKS, NV	Warehouse	\$	6,632
PITTSTON, PA	Factory/Warehouse	\$	17,184
HOUSTON, TX	Sales	\$	1,050
MEMPHIS, TN	Warehouse	\$	10,091
MISSISSAUGA, ONTARIO	Warehouse/ Office	\$	5,759
FT. PAYNE, AL	Factory	\$	8,739
LA GRANGE, GA	Factory	\$	16,407
LA GRANGE, GA	Warehouse	\$	1,400
STAMFORD, CT	Sales	\$	1,810
MISSION VIEJO, CA	Sales	\$	500
BEDFORD, NH	Sales	\$	350

Schedule 2(b)(ii)
Owned Real Property

LEXINGTON, OH

Factory

TULSA, OK

Factory/ Office

SHOEMAKERSVILLE, PA

Factory

CELINA, TN

Factory

LAKE GENEVA, WI

Factory

LONGBOAT KEY, FL

Timeshare Condominium

Attachment 3

GENERAL SIGNAL CONTRIBUTION AGREEMENT

dated as of

September 15, 1997

among

EGS ELECTRICAL GROUP LLC

EMERSON ELECTRIC CO.

and

GENERAL SIGNAL CORPORATION

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Annex A - Joint Venture Documents

CONTRIBUTION AGREEMENT

AGREEMENT dated as of September __, 1997 between EGS Electrical Group LLC, a limited liability company organized under the laws of the State of Delaware ("EGS"), Emerson Electric Co., a Missouri corporation ("Emerson"), and General Signal Corporation, a New York corporation ("General Signal").

WITNESSETH:

WHEREAS, Emerson, EGS, Appleton Electric Co., a Delaware corporation ("Appleton"), General Signal and G.S. Building Systems Corporation, a Connecticut corporation ("GSBSC"), have agreed pursuant to an Amended and Restated Limited Liability Company Agreement dated as of the date hereof (the "LLC Agreement") to engage in the Joint Venture Business (as defined in the LLC Agreement) through EGS;

WHEREAS, General Signal has formed GSEG LLC, a limited liability company organized under the laws of the State of Delaware ("G1"), as a wholly-owned Subsidiary of General Signal, and O-Z Gedney Company LLC, a limited liability company organized under the laws of the State of Delaware ("G2") and a wholly-owned Subsidiary of G1, and has entered into a Reorganization Agreement dated as of the date hereof (the "General Signal Reorganization Agreement") in which General Signal and GSBSC contributed to G1 and G2 certain assets relating to the GSEG Business (as defined in the General Signal Reorganization Agreement) and G1 and G2 each agreed to assume certain liabilities of the GSEG Business;

WHEREAS, General Signal and GSBSC desire to contribute all of their interests in G1 to EGS in return for the rights of General Signal and GSBSC under LLC Agreement (including their Interests (as defined in the LLC Agreement)), all upon the terms and subject to the conditions hereinafter set forth;

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. *Definitions.*

(a) The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person.

"Balance Sheet" means the unaudited combined statement of net equity of GSEG as of December 31, 1996.

"Balance Sheet Date" means December 31, 1996.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any rules or regulations promulgated thereunder.

"Closing Date" means the date of the Closing.

"Contracts" means all rights of the GSEG Unit or G1 or any of its Subsidiaries under all contracts, agreements, leases, licenses, commitments, sales and purchase orders and other instruments.

"Distribution Agreements" means the Distribution Agreements dated as of the date hereof between EGS and General Signal or its Subsidiaries.

"Emerson Contribution Agreement" means the Emerson Contribution Agreement dated as of the date hereof among General Signal, Emerson and EGS.

"Environmental Claim" means a written notice of an obligation or of an actual or potential liability, assertion of a claim, or commencement of a suit, action or proceeding relating to or alleging the existence of an Environmental Liability in each of the foregoing, from or by a governmental entity or authority or other third party (other than Emerson, General Signal, EGS, their Subsidiaries or agents or companies contracted to perform services by Emerson, General Signal, EGS or their Subsidiaries) or the identification of an obligation under an Environmental Law to perform a Remedial Action in respect of an Environmental Liability.

“Environmental Laws” means any federal, state, local or foreign law (including, without limitation, common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit or governmental restriction or any agreement with any governmental authority or other third party, each, for purposes of Section 3.20 and the definition of Environmental Liabilities, as now in effect and, for all other purposes, as now or hereafter in effect, relating to the environment, human health and safety or to pollutants, contaminants, wastes or chemicals or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substances, wastes or materials or which impose liability for, or standards of conduct concerning, the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transportation or handling of Hazardous Substances, including, without limitation, CERCLA, the Resource Conservation and Recovery Act of 1976, as amended, the Clean Air Act of 1970, as amended, the Federal Water Pollution Control Act, as amended, the Toxic Substances Control Act of 1976, as amended, and similar state, local or foreign laws; *provided* that in no event shall the term “Environmental Laws” include any law that primarily concerns protection of employee health and safety.

“Environmental Liabilities” means any and all Damages and the cost of any Remedial Action incurred on or after the Closing Date and arising in connection with the G1 Business, the GS Contributed Assets or any activities or operations occurring or conducted at the Real Property, whether or not disclosed pursuant to Schedule 3.20 hereof, which arise out of or relate to the occurrence or existence on or prior to the Closing Date, of (i) releases (including continuous releases) or threatened releases, spills, leaching, leaking, injection, or discharges of Hazardous Substances, (ii) the use, generation, storage, disposal, treatment or recycling of any Hazardous Substances at or under the Real Property, (iii) any third party claim, litigation, or proceeding relating to any Hazardous Substance or (iv) the violation of or liability under any Environmental Law or Environmental Permit.

“Environmental Permits” means all permits, licenses, franchises, certificates, approvals and other similar authorizations of governmental authorities required by Environmental Laws to operate the G1 Business or the business of G1 or any of its Subsidiaries.

“Excluded Environmental Liabilities” means any Environmental Liabilities to the extent they relate to (i) operations, assets, product lines or owned or leased real property any of which was at one time owned by or operated in connection with the G1 Business but which has been sold, disposed of, terminated or discontinued on or prior to the date hereof, (ii) the disposal or arrangement for disposal of Hazardous Substances by the G1 Business on or prior to the date hereof from any Real Property or GS Contributed Assets to a site other than a site

included in the Real Property or GS Contributed Assets (and other than offsite migration therefrom) or (iii) the property at Fieldstone Court in the Town of Cheshire, Connecticut except to the extent such Environmental Liabilities were caused by the operation of the G1 Business at such property.

"G1 Business" means the business of G1 and its Subsidiaries (whether now, previously or hereafter conducted) as conveyed by General Signal and GSBSC pursuant to the General Signal Reorganization Agreement and after giving effect to (a) the assignment of any GS Contributed Asset or any claim or right or any benefit arising thereunder pursuant to Section 7 of the General Signal Reorganization Agreement and (b) the contribution of the Canadian Assets.

"GS Assumed Liabilities" means the Assumed Liabilities and the Canadian Liabilities.

"GS Contributed Assets" means the Contributed Assets (as defined in the General Signal Reorganization Agreement) and the Canadian Assets.

"GS Group" means General Signal and its Subsidiaries.

"GS Rights" means the following names or logos: GENERAL SIGNAL or the General Signal logo and any variations thereon and any Intellectual Property Rights owned or licensed by the GS Group and not owned or licensed by G1 or any of its Subsidiaries.

"GSEG Unit" means the members of the GS Group to the extent primarily engaged in the GSEG Business.

"Hazardous Substances" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material including, without limitation, petroleum, its derivatives, by-products and other hydrocarbons, and any substance, waste or material regulated under any Environmental Law.

"Intellectual Property Right" means any trademark, service mark, trade name, mask work, invention, patent, trade secret, copyright, technology, know-how, process, invention, formula, research and development data, computer software program or any other similar type of proprietary intellectual property right or other intangible property (including any applications, registrations or applications for registration of any of the foregoing).

"Knowledge" means the actual knowledge of Terry D. Martin, Terence J. Mortimer, Ray L. Arthur, Paul F. Hally, Lynne J. Tomeny, Joanne L. Bober, John

Fleckenstein, Thomas Hudak, John Coates, Richard Dillon, Paul Suzio, Jerry McQuade, Anthony Yankauskas and Monte Roach, after due inquiry.

"Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind (other than pursuant to Section 7 of the General Signal Reorganization Agreement) in respect of such property or asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

"Material Adverse Effect" means a material adverse effect on the condition (financial or otherwise), business, assets or results of operations of the GSEG Unit and G1 and its Subsidiaries, taken as a whole.

"Patent License Agreement" means the Patent License Agreement dated as of the date hereof between G1 and General Signal.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Real Property" means all real property owned, operated, leased or used by G1 or any of its Subsidiaries as of the Closing.

"Remedial Action(s)" means the investigation, clean-up or remediation of contamination, environmental degradation or damage caused by, related to or arising from the generation, use, handling, treatment, storage, transportation, disposal, discharge, release (including a continuous release), or emission of Hazardous Substances, including, without limitation, investigations, response and remedial actions under CERCLA, corrective action under the Resource Conservation and Recovery Act of 1976, as amended, and investigation, clean-up or other requirements under similar Environmental Laws.

"Subsidiary" of a Person means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person and, for purposes of this Agreement, G1 and G2 shall be deemed to be Subsidiaries of EGS.

"Supply Agreements" means the Supply Agreements dated as of the date hereof between EGS and General Signal or its Subsidiaries.

“Technology License Agreements” means the Technology License Agreements dated as of the date hereof between EGS or its Subsidiaries and General Signal or its Subsidiaries.

“Trademark License Agreements” means the Trademark License Agreements dated as of the date hereof between EGS or its Subsidiaries and General Signal or its Subsidiaries.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
G1 Pension Plans	8.01
GS Employee	8.01
GS Pension Plan	8.01
GS Hourly 401(k) Plan	8.01
Apportioned Obligations	7.03
Benefit Arrangement	8.01
Benefits Continuation Period	8.01
Business Intellectual Property Rights	3.15
Closing	2.02
Code	7.01
Controlling Party	9.03
Damages	9.02
General Signal 401(k) Plan	8.01
General Signal Nonunion Hourly Pension Plan	8.01
General Signal Nonunion Hourly 401(k) Plan	8.01
General Signal Offset	8.01
General Signal Pension Plans	8.01
General Signal Retiree Plan	8.01
General Signal Salaried Pension Plan	8.01
General Signal Salaried 401(k) Plan	8.01
Employee Plan	8.01
ERISA	8.01
ERISA Affiliate	8.01
Indemnified Party	9.03
Indemnifying Party	9.03
Joint Venture Affiliate	3.18
Joint Venture Agreement	3.18
Multiemployer Plan	8.01
Other Consents	3.05
PBGC	8.01
Permits	3.17

Term	Section
Permitted Liens	3.13
Post-Closing Tax Period	7.03
Pre-Closing Tax Period	7.01
Required Consents	3.05
Subsidiary Securities	3.06
Tax	7.01
Taxing Authority	7.01
Title IV Plan	8.01
Transfer Taxes	7.03
WARN Act	6.02

ARTICLE 2
CONTRIBUTION

SECTION 2.01. *Contribution.* (a) Upon the terms of this Agreement, General Signal agrees to contribute to EGS, and to cause GSBSC to contribute to EGS, and EGS agrees to accept, 100% of General Signal's and GSBSC's interest in G1. In consideration of and in exchange for such contribution by General Signal and GSBSC, EGS agrees to transfer to General Signal and GSBSC, and General Signal and GSBSC agree to accept, a 40.29% and 7.21% interest, respectively, in EGS.

(b) As soon as practicable after the date hereof, General Signal agrees to transfer, assign and deliver, or cause to be transferred, assigned and delivered, to EGS or its Subsidiaries the right, title and interest in, to and under certain assets, properties and business of GS Limited owned, held or used primarily in the GSEG Business (the "**Canadian Assets**") and EGS agrees to assume certain debts, obligations, contracts and liabilities of GS Limited primarily relating to or arising out of the conduct of the GSEG Business (the "**Canadian Liabilities**"), each of the Canadian Assets and the Canadian Liabilities to include only those assets and liabilities that are mutually acceptable to General Signal and Emerson.

SECTION 2.02. *Closing.* The closing (the "**Closing**") of the contribution hereunder shall take place at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York, simultaneously with the closing under the Emerson Contribution Agreement or at such other time or place as General Signal and Emerson may agree, but in any event not prior to the consummation of the transactions contemplated by the General Signal Reorganization Agreement. At the Closing, General Signal, GSBSC and EGS shall enter into an Amended and Restated Limited Liability Company Agreement of G1 that sets forth that EGS shall be the sole Member of G1.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF GENERAL SIGNAL

General Signal represents and warrants to Emerson and to EGS as of the date hereof and as of the Closing Date that:

SECTION 3.01. *Corporate Existence and Power.* Each of General Signal and GSBSC is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and each of G1 and G2 is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of General Signal, GSBSC, G1 and G2 has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted. Each of General Signal and GSBSC is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary.

SECTION 3.02. *Corporate Authorization.* The execution, delivery and performance by General Signal of this Agreement and the consummation of the transactions contemplated hereby are within General Signal's corporate powers and have been duly authorized by all necessary corporate action on the part of General Signal. This Agreement constitutes a valid and binding agreement of General Signal.

SECTION 3.03. *Governmental Authorization.* Except as disclosed on Schedule 3.03, the execution, delivery and performance by General Signal of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with, any governmental body, agency or official.

SECTION 3.04. *Noncontravention.* Except as set forth on Schedule 3.04, the execution, delivery and performance by General Signal of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate the certificate of incorporation or bylaws (or the limited liability company agreement, as the case may be) of General Signal, GSBSC, G1 or G2, (ii) violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) assuming the obtaining of all Required Consents, constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of EGS or to a loss of any benefit to which General Signal, GSBSC, G1 or any of their respective Subsidiaries is entitled under any provision of any agreement or other instrument binding upon General Signal, GSBSC, G1 or any of their respective Subsidiaries or any license, franchise, permit or other similar authorization held by General Signal, GSBSC, G1 or any of their respective

Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of General Signal, GSBSC, G1 or any of their respective Subsidiaries.

SECTION 3.05. *Required Consents.* Schedule 3.05 sets forth each agreement, contract or other instrument binding upon the GSEG Unit or G1 or any of its Subsidiaries or any Permit (including, without limitation, any Environmental Permit) requiring a consent or other action by any Person, in each case, as a result of the execution, delivery and performance of this Agreement (the "**Required Consents**"). General Signal has no Knowledge that any such Required Consent shall not be obtained.

SECTION 3.06. *Subsidiaries.* (a) Each Subsidiary of G1 (other than G2) is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary.

(b) All of the outstanding capital stock of, or other voting securities or ownership interests in, each Subsidiary of G1, is owned by G1, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interest). There are no outstanding (i) interests of G1 or securities or interests of any of its Subsidiaries convertible into or exchangeable for shares of capital stock or other voting securities or ownership interest in G1 or any of its Subsidiaries or (ii) options or other rights to acquire from G1 or any of its Subsidiaries, or other obligation of G1 or any of its Subsidiaries to issue, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for any capital stock or other voting securities or ownership interests in, any Subsidiary (the items in clauses (i) and (ii) being referred to collectively as the "**Subsidiary Securities**"). There are no outstanding obligations of G1 or any of its Subsidiaries to repurchase, redeem or otherwise acquire any outstanding Subsidiary Securities.

SECTION 3.07. *Financial Statements.* Except as set forth in the notes thereto, the unaudited combined statements of net equity as of December 31, 1996 and the related unaudited combined statements of income and cash flows for the year ended December 31, 1996 and the unaudited interim combined statements of net equity as of June 30, 1997 and the related unaudited interim statements of income and cash flows for the six months ended June 30, 1997 of GSEG have been prepared in accordance with United States generally accepted accounting

methods and principles as applied consistently pursuant to General Signal's internal policies and procedures and fairly present the financial position of the GSEG Unit as of the dates thereof and its results of operations and cash flows for the periods then ended (subject to normal year-end adjustments).

SECTION 3.08. *Absence of Certain Changes.* Except as disclosed on Schedule 3.08, since the Balance Sheet Date, each of the business of the GSEG Unit and the business of G1 and its Subsidiaries has been conducted in the ordinary course consistent with past practices and there has not been:

(a) any event, occurrence, development or state of circumstances or facts which has had or could reasonably be expected to have a Material Adverse Effect;

(b) to the Knowledge of General Signal, any creation or other incurrence of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

(c) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or any asset of the GSEG Unit or G1 or any of its Subsidiaries, which individually or in the aggregate has had or could reasonably be expected to have a Material Adverse Effect;

(d) to the Knowledge of General Signal, any transaction or commitment made, or any contract or agreement entered into, by the GSEG Unit or G1 or any of its Subsidiaries (including the acquisition or disposition of any assets) or any relinquishment by the GSEG Unit or G1 or any of its Subsidiaries of any material contract or other right, in either case, other than transactions and commitments in the ordinary course of business consistent with past practices and those contemplated by this Agreement;

(e) any change in any method of accounting or accounting practice by General Signal, GSBSC or G1 or any of their respective Subsidiaries, except for any such change after the date hereof required by reason of a concurrent change in generally accepted accounting principles;

(f) any (i) employment, deferred compensation, severance, retirement or other similar agreement entered into with any officer or employee of the GSEG Unit or G1 or any of its Subsidiaries (or any amendment to any such existing agreement), (ii) grant of any severance or termination pay to any officer or employee of the GSEG Unit or G1 or any

of its Subsidiaries or (iii) change in compensation or other benefits payable to any officer or employee of the GSEG Unit or G1 or any of its Subsidiaries pursuant to any severance or retirement plans or policies thereof, other than in the ordinary course of business consistent with past practice;

(g) any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the GSEG Unit or G1 or any of its Subsidiaries, which employees were not subject to a collective bargaining agreement at the Balance Sheet Date, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to employees of the GSEG Unit or G1 or any of its Subsidiaries; or

(h) any capital expenditure, or commitment for a capital expenditure, for additions or improvements to property, plant and equipment, except that which has been approved by General Signal.

SECTION 3.09. *No Undisclosed Material Liabilities.* To the Knowledge of General Signal, there are no liabilities of the GSEG Unit or G1 or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and to the Knowledge of General Signal, there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than:

(a) liabilities provided for in the Balance Sheet or disclosed in the notes thereto;

(b) liabilities disclosed on Schedule 3.09 or, to the extent disclosed with particularity or pursuant to the terms of any agreements disclosed thereon, any other Schedule referred to in Article 3 or Article 8;

(c) liabilities relating to Environmental Laws, which are covered solely by Section 3.20;

(d) other undisclosed liabilities which, individually or in the aggregate, are not material to G1 and its Subsidiaries, taken as a whole.

SECTION 3.10. *Material Contracts.* (a) Except as disclosed on Schedule 3.10, neither the GSEG Unit nor G1 or any of its Subsidiaries is a party to or bound by;

(i) any lease (whether of real or personal property) which requires annual payments of \$50,000 or more;

(ii) any agreement for the purchase of materials, supplies, goods, services, equipment or other assets providing for either (A) annual payments by the GSEG Unit or G1 or any of its Subsidiaries of \$50,000 or more or (B) aggregate payments by the GSEG Unit or G1 or any of its Subsidiaries of \$50,000 or more;

(iii) any sales, distribution or other similar agreement providing for the sale by the GSEG Unit or G1 or any of its Subsidiaries of materials, supplies, goods, services, equipment or other assets that provides for either (A) annual payments to the O-Z Gedney division of \$300,000 or more; (B) annual payments to Dual-Lite Manufacturing, Inc., the Edwards Signaling division or the Sola division of \$50,000 or more, or (C) aggregate payments to the GSEG Unit or G1 or any of its Subsidiaries of \$300,000 or more;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any agreement relating to the prospective acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise);

(vi) any option, license, franchise or similar agreement;

(vii) any agency, dealer, sales representative, marketing or other similar agreement;

(viii) any agreement that limits the freedom of the GSEG Unit or G1 or any of its Subsidiaries to compete in any line of business or with any Person or in any area or which would so limit the freedom of EGS after the Closing Date;

(ix) any agreement with or for the benefit of any Affiliate of the GSEG Unit or G1 or any of its Subsidiaries; or

(x) any other agreement, commitment, arrangement or plan not made in the ordinary course of business that is material to G1 and the Subsidiaries taken as a whole.

(b) Except as disclosed on Schedule 3.10 and assuming the obtaining of all Required Consents, each Contract disclosed on any Schedule to this Agreement or required to be disclosed pursuant to this Section is a valid and binding agreement of G1 or its Subsidiaries and is in full force and effect, and neither G1 nor, to the Knowledge of General Signal, any other party thereto is in default or breach in any material respect under the terms of any such Contract, and, to the Knowledge of General Signal, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute a default thereunder. True and complete copies of each such Contract have been delivered to EGS and Emerson.

SECTION 3.11. *Litigation.* Schedule 3.11 lists all actions, suits, investigations and proceedings pending against, or to the Knowledge of General Signal, threatened against, the GSEG Unit or G1 or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official (other than those relating to Environmental Laws, which are covered solely by Section 3.20).

SECTION 3.12. *Compliance with Laws and Court Orders.* Except as set forth on Schedule 3.12 and except for any violations that have not had and are not reasonably expected to have a Material Adverse Effect, neither the GSEG Unit nor G1 or any of its Subsidiaries is in violation of and has not since January 1, 1995 violated any law, rule, regulation, judgment, injunction, order or decree (other than those relating to Environmental Laws, which are covered solely by Section 3.20).

SECTION 3.13. *Properties.* (a) The GSEG Unit and G1 and its Subsidiaries have good and marketable, indefeasible, fee simple title to, or in the case of leased Real Property or personal property have valid leasehold interests in, all property and assets (whether real, personal, tangible or intangible) reflected on the Balance Sheet or acquired after the Balance Sheet Date, except for properties and assets sold since the Balance Sheet Date in the ordinary course of business consistent with past practices. None of such property or assets is subject to any Lien, except:

(i) Liens disclosed on the Balance Sheet;

(ii) Liens for taxes not yet due or being contested in good faith (and for which adequate accruals or reserves have been established on the Balance Sheet);

(iii) Liens disclosed on Schedule 3.13(a); or

(iv) Liens which do not materially detract from the value or materially interfere with any present or intended use of such property or assets (clauses (i) - (iv) of this Section are, collectively, the "Permitted Liens").

(b) Except as a result of the transactions contemplated by this Agreement, there are no developments affecting any such property or assets (whether real or personal) pending or, to the Knowledge of General Signal threatened, which might materially detract from the value, materially interfere with any present or intended use or materially adversely affect the marketability of such property or assets.

(c) Except as disclosed on Schedule 3.13(c) and assuming the obtaining of all Required Consents, all leases of Real Property or personal property are valid, binding and enforceable in accordance with their respective terms and there does not exist under any such lease any default or any event which with notice or lapse of time or both would constitute a default.

(d) Except as set forth on Schedule 3.13(d), the plants, buildings, structures and equipment owned or leased by the GSEG Unit or G1 or any of its Subsidiaries have no material defects, are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), are adequate and suitable for their present uses.

(e) The plants, buildings and structures owned or leased by the GSEG Unit or G1 or any of its Subsidiaries currently have access to (i) public roads or valid easements over private streets or private property for such ingress to and egress from all such plants, buildings and structures and (ii) water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection, drainage and other public utilities, in each case as is necessary for the conduct of the business of the GSEG Unit or G1 or any of its Subsidiaries as it has heretofore been conducted. None of the structures on the Real Property encroaches upon real property of another Person, and no structure of any other Person substantially encroaches upon any Real Property.

(f) The Real Property, and its continued use, occupancy and operation as currently used, occupied and operated, does not constitute a nonconforming use under all applicable building, zoning, subdivision and other land use and similar laws, regulations and ordinances.

SECTION 3.14. *Sufficiency of and Title to Assets.* (a) Assuming the obtaining of all Required Consents, except as disclosed on Schedule 3.14 and

excluding the Excluded Assets (as defined in the General Signal Reorganization Agreement), the property and assets of EGS pursuant to the Supply Agreements and the Distribution Agreements and the property and assets of G1 (as contributed by General Signal and GSBSC pursuant to the General Signal Reorganization Agreement) constitute all of the property and assets adequate for G1 and its Subsidiaries to conduct the business of the GSEG Unit and its Subsidiaries as conducted immediately prior to the consummation of the transactions contemplated by the General Signal Reorganization Agreement.

(b) Assuming the obtaining of all Required Consents, each of G1 and each of its Subsidiaries has acquired good and marketable title in and to, or a valid leasehold interest in, all of its property and assets, free and clear of all Liens, except for Permitted Liens.

SECTION 3.15. *Intellectual Property.* (a) Schedule 3.15 contains a list of all Intellectual Property Rights owned or licensed by the GSEG Unit or G1 or any of its Subsidiaries other than the GS Rights ("**Business Intellectual Property Rights**"), specifying as to each, as applicable: (i) the nature of such Business Intellectual Property Right, (ii) the owner of such Business Intellectual Property Right, (iii) the jurisdictions by or in which such Business Intellectual Property Right (A) is recognized (without regard to registration) or (B) has been issued or registered or in which an application for such issuance or registration has been filed, (iv) the registration or application numbers and (v) the termination or expiration dates.

(b) Schedule 3.15 sets forth a list of all licenses, sublicenses and other agreements as to which the GSEG Unit or G1 or any of its Subsidiaries is a party and pursuant to which any Person is authorized to use any Business Intellectual Property Right, including (i) the identity of all parties thereto, (ii) a description of the nature and subject matter thereof, (iii) the applicable royalty and (iv) the term thereof.

(c) Except as set forth on Schedule 3.15(c), (i) since January 1, 1995, the GS Group has not been a defendant in any action, suit, investigation or proceeding relating to, or otherwise has been notified of, any alleged claim of infringement of any Business Intellectual Property Right, and General Signal has no Knowledge of any other such infringement by the GS Group, and (ii) the GS Group has no outstanding claim or suit for, and has no Knowledge of, any continuing infringement by any other Person of any Business Intellectual Property Rights. Except as disclosed on Schedule 3.15, no Business Intellectual Property Right is subject to any outstanding judgment, injunction, order, decree or agreement restricting the use thereof by the GSEG Unit or G1 or any of its Subsidiaries or restricting the licensing thereof by the GSEG Unit or G1 or any of its Subsidiaries

to any Person. Except for any agreement disclosed on Schedule 3.15 and except for any indemnities extended in the ordinary course to customers in connection with product sales, the GS Group has not entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property Right.

(d) Except as set forth on Schedule 3.15(d), to the Knowledge of General Signal, none of the processes and formulae, research and development results and other know-how of the GSEG Unit or G1 or any of its Subsidiaries, the value of which to G1 or such Subsidiary is contingent upon maintenance of the confidentiality thereof, has been disclosed by the GS Group to any Person other than employees, representatives and agents of the GS Group, all of whom are bound by written confidentiality agreements substantially in the form previously disclosed to EGS.

SECTION 3.16. *Insurance Coverage.* General Signal has furnished to EGS and Emerson a description of the corporate insurance program in effect since January 1, 1995 relating to the assets, business, operations, employees, officers or directors of the GSEG Unit or G1 or any of its Subsidiaries. With the exception of claims related to environmental liabilities of any nature whatsoever, including liabilities relating to the presence or release of or exposure to Hazardous Substances, or except as disclosed on Schedule 3.16, there is no claim by the GS Group pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights. All premiums payable under all such policies and bonds have been timely paid and the GS Group has otherwise complied fully with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) have been in effect since January 1, 1995, and remain in full force and effect. Such policies and bonds are of the type and in amounts customarily carried by Persons conducting businesses similar to G1 and its Subsidiaries. General Signal does not know of any threatened termination of, premium increase with respect to, or material alteration of coverage under, any of such policies or bonds. Except as disclosed on Schedule 3.16, after the Closing, the GS Group shall continue to have substantially similar coverage under such policies and bonds with respect to events occurring prior to the Closing.

SECTION 3.17. *Licenses and Permits.* Schedule 3.17 correctly describes each material license, franchise, permit, certificate, approval or other similar authorization (except for those relating to Environmental Laws, which are covered solely by Section 3.20) affecting, or relating in any way to, the assets or business of the GSEG Unit and G1 and its Subsidiaries (the "Permits"), together with the

name of the government agency or entity issuing such Permit. Except as set forth on the Schedule 3.17, (i) the Permits are valid and in full force and effect, (ii) neither the GSEG Unit nor G1 or any of its Subsidiaries is in default, and no condition exists that with notice or lapse of time or both would constitute a default, under the Permits and (iii) none of the Permits will, assuming the related Required Consents have been obtained prior to the Closing Date, be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby. Upon consummation of such transactions, EGS will, assuming the related Required Consents have been obtained prior to the Closing Date, have all of the right, title and interest in all the Permits.

SECTION 3.18. *Joint Venture Affiliates.* (a) Schedule 3.18(a) sets forth (i) the name of each corporation, partnership, limited liability company or other entity (other than General Signal's Subsidiaries) in which the GSEG Unit or G1 or any of its Subsidiaries holds a direct or indirect equity, profit, voting or other interest ("**Joint Venture Affiliate**"), (ii) a description of the interests held in each Joint Venture Affiliate by G1 or such Subsidiary, and (iii) the name of each record owner of any such interest and its percentage interest. Schedule 3.18 sets forth each partnership, joint venture or other similar agreement or arrangement (a "**Joint Venture Agreement**") relating to the formation, creation, operation, management or control of any Joint Venture Affiliate.

(b) Except as disclosed in Schedule 3.18(b), the interest of the GSEG Unit or G1 or any of its Subsidiaries in each Joint Venture Affiliate is owned by the GSEG Unit, G1 or such Subsidiary, directly or indirectly, free and clear of any Liens and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such interest). Except as disclosed on Schedule 3.18(b), there are no outstanding (i) ownership interests in the Joint Venture Affiliates, (ii) securities or other interests of the GSEG Unit or G1 or any of its Subsidiaries or any Joint Venture Affiliates convertible into or exchangeable for ownership interests in the Joint Venture Affiliates or (iii) options or other rights to acquire from the GSEG Unit or G1 or any of its Subsidiaries or any Joint Venture Affiliate or other obligations of EGS, any of its Subsidiaries or any Joint Venture Affiliate to issue any interests in or convertible into or exchangeable into any interest in the Joint Venture Affiliates. Except as set forth in Schedule 3.18(b), there are no outstanding obligations of the GSEG Unit or G1 or any of its Subsidiaries or any Joint Venture Affiliate to repurchase, redeem or otherwise acquire any interest in the Joint Venture Affiliate.

(c) To the knowledge of General Signal and except as set forth in Schedule 3.18(c), no person has any right to participate directly in the profits of a Joint Venture Affiliate.

SECTION 3.19. *Finders' Fees.* There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of General Signal who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

SECTION 3.20. *Environmental Compliance.* (a) To the Knowledge of General Signal, except as disclosed on Schedule 3.20 and except as would not reasonably be expected to have a Material Adverse Effect:

(i) in the past three years, no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no investigation, action, claim, proceeding or review is pending, or to General Signal's Knowledge, threatened by any governmental entity or other Person against the GSEG Unit or G1 or any of its Subsidiaries with respect to matters arising out of or relating to the GSEG Business and arising out of or relating to any Environmental Law;

(ii) no polychlorinated biphenyls, radioactive material, lead, asbestos-containing material, incinerator, sump, surface impoundment, lagoon, landfill, septic, wastewater treatment or other disposal system or underground storage tank (active or abandoned) for which Remedial Actions are required under an Environmental Law is present at, on or under any Real Property;

(iii) no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted or released at, on or under any Real Property for which Remedial Actions are required under an Environmental Law;

(iv) no Real Property, nor any property to which Hazardous Substances located on or resulting from the use of any asset of the GSEG Unit or G1 or any of its Subsidiaries (including any Real Property) have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, on CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup; and

(v) the GSEG Unit and G1 and its Subsidiaries are in compliance with all Environmental Laws and are in compliance with all Environmental Permits and such Environmental Permits are valid and in full force and effect;

(vi) there has been no environmental investigation, study, audit, test or assessment conducted of which General Signal has Knowledge in relation to any asset of the GSEG Unit or G1 or any of its Subsidiaries (including any Real Property) or any Real Property which has not been disclosed to General Signal.

(b) Except as set forth in this Section 3.20, no representations or warranties are being made with respect to matters arising under or relating to any Environmental Law.

ARTICLE 4

COVENANTS OF GENERAL SIGNAL

General Signal agrees that:

SECTION 4.01. *Access to Information.* On and after the Closing Date, General Signal will cause the GS Group to afford promptly to EGS and its agents reasonable access to its books of account, financial and other records (including, without limitation, accountant's work papers), information, employees and auditors to the extent necessary or useful for EGS in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the GSEG Unit or G1 or any of its Subsidiaries; *provided* that any such access by EGS shall not unreasonably interfere with the conduct of business of the GS Group. EGS shall bear all of the out-of-pocket costs and expenses (including, without limitation, attorneys' fees, but excluding reimbursement for general overhead, salaries and employee benefits) reasonably incurred in connection with the foregoing.

SECTION 4.02. *Best Efforts.* After the Closing, General Signal agrees to, or to cause its Subsidiaries to, execute and deliver and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

ARTICLE 5
COVENANTS OF EGS AND EMERSON

Emerson and EGS agree that:

SECTION 5.01. *Trademarks; Trade Names.* (a) Except as otherwise provided in Section 5.01(b), after the Closing, EGS and its Subsidiaries and Emerson and its Affiliates shall not use any of the GS Rights.

(b) After the Closing, EGS and its Affiliates shall have the right to sell existing inventory and to use existing packaging, labeling, containers, supplies, advertising materials, technical data sheets and any similar materials bearing any GS Rights until the earlier of six months from the date hereof and the date existing stocks are exhausted. EGS and its Affiliates shall comply with all applicable laws or regulations in any use of packaging or labeling containing the GS Rights.

ARTICLE 6
COVENANTS OF EGS, GENERAL SIGNAL AND EMERSON

EGS, General Signal and Emerson agree that:

SECTION 6.01. *Further Assurances Relating to Canadian Contribution.* After the Closing, Emerson and General Signal agree to, or to cause their respective Subsidiaries to (i) execute and deliver and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the contribution of the Canadian Assets and the assumption of the Canadian Liabilities and (ii) update the Schedules hereto, as appropriate to reflect such contribution.

SECTION 6.02. *Public Announcements.* The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

SECTION 6.03. *Warn Act.* The parties agree to cooperate in good faith to determine whether any notification may be required under the Worker Adjustment and Retraining Notification Act (the "WARN Act") as a result of the transactions contemplated by this Agreement. EGS will be responsible for providing any

notification that may be required under the WARN Act with respect to any Transferred Employees.

ARTICLE 7
TAX MATTERS

SECTION 7.01. *Tax Definitions.* The following terms, as used herein, have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended.

“Pre-Closing Tax Period” means (i) any Tax period ending on or before the Closing Date and (ii) with respect to a Tax period that commences before but ends after the Closing Date, the portion of such period up to and including the Closing Date.

“Tax” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, registration, recording, documentary, conveyancing, gains, withholding on amounts paid to or by General Signal, GSBSC or Dual-Lite Manufacturing Inc., payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority (a “Taxing Authority”) responsible for the imposition of any such tax (domestic or foreign), or (ii) liability for the payment of any amounts of the type described in (i) as a result of being party to any agreement or any express or implied obligation to indemnify any other Person.

SECTION 7.02. *Tax Matters.* General Signal hereby represents and warrants to EGS that

(a) General Signal or another member of the GS Group has timely paid all Taxes, and all interest and penalties due thereon and payable by it or its Affiliates for the Pre-Closing Tax Period which will have been required to be paid on or prior to the Closing Date, the non-payment of which would result in a Lien on any property or asset of the GSEG Unit or G1 or any of its Subsidiaries, would otherwise adversely affect the GSEG Unit or G1 or any of its Subsidiaries or would result in EGS becoming liable or responsible therefor.

(b) General Signal has established, in accordance with generally accepted accounting principles applied on a basis consistent with that of

preceding periods, adequate reserves for the payment of, and will timely pay all Tax liabilities, assessments, interest and penalties which arise from or with respect to the properties or assets of the GSEG Unit or G1 or any of its Subsidiaries or the operation of the business of the GSEG Unit or G1 or any of its Subsidiaries and are incurred in or attributable to the Pre-Closing Tax Period, the non-payment of which would result in a Lien on any property or asset of the GSEG Unit or G1 or any of its Subsidiaries, would otherwise adversely affect the GSEG Unit or G1 or any of its Subsidiaries or would result in EGS becoming liable therefor.

SECTION 7.03. *Tax Cooperation; Allocation of Taxes.* (a) EGS and General Signal agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the GSEG Unit or G1 or any of its Subsidiaries (including, without limitation, access to books and records) as is reasonably necessary for the filing of all Tax returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax. EGS and General Signal shall retain all books and records with respect to Taxes pertaining to the Assets for a period of at least six years following the Closing Date. At the end of such period, each party shall provide the other with at least 30 days prior written notice before destroying any such books and records, during which period the party receiving such notice can elect to take possession, at its own expense, of such books and records. General Signal and EGS shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the GSEG Unit or G1 or any of its Subsidiaries or any of their respective assets.

(b) All real property taxes, personal property taxes and similar *ad valorem* obligations levied on the GSEG Unit or G1 or any of its Subsidiaries for a taxable period which includes (but does not end on) the Closing Date (collectively, the "Apportioned Obligations") shall be apportioned between General Signal and EGS based on the number of days of such taxable period included in the Pre-Closing Tax Period and the number of days of such taxable period after the Closing Date (with respect to any such taxable period, the "Post-Closing Tax Period"). General Signal shall be liable for the proportionate amount of such taxes that is attributable to the Pre-Closing Tax Period, and EGS shall be liable for the proportionate amount of such taxes that is attributable to the Post-Closing Tax Period. Upon receipt of any bill for real or personal property taxes relating to the GSEG Unit or G1 or any of its Subsidiaries, each of General Signal and EGS shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 7.03(b) together with such supporting evidence as is reasonably necessary to calculate the proration amount. The proration amount shall be paid by the party owing it to the other

within 10 days after delivery of such statement. In the event that either General Signal or EGS shall make any payment for which it is entitled to reimbursement under this Section 7.03(b), the other party shall make such reimbursement promptly but in no event later than 10 days after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement.

(c) With respect to all other taxes imposed on Dual-Lite Manufacturing, Inc. and Terasaki Nelson Limited for a taxable period which includes (but does not end on) the Closing Date, the amount of such Taxes relating to the Pre-Closing Tax Period shall be deemed equal to the amount which would be payable if the relevant Tax period ended on the Closing Date, except that (i) income, deductions, credits and losses shall be computed in a manner consistent with past practices; and (ii) the applicable Tax rates shall be the appropriate statutory rates in effect during the relevant Pre-Closing Tax Period. Upon preparation of the returns relating to such Taxes, EGS shall submit such returns (and all related schedules, statements and work papers, to the extent requested by General Signal) to General Signal for review and shall present a statement to General Signal setting forth the amount of reimbursement to which EGS is entitled. General Signal shall make the reimbursement promptly but in no event later than 10 days after the later of the date on which General Signal receives the statement for reimbursement and the date on which all disputes, if any, relating to the reimbursement are resolved.

(d) All excise, sales, use, value added, registration stamp, recording, documentary, conveyancing, franchise, property, transfer, gains and similar Taxes, levies, charges and fees (collectively, "Transfer Taxes") incurred in connection with the transactions contemplated by this Agreement shall be borne by General Signal. EGS and General Signal shall cooperate in providing each other with any appropriate resale exemption certifications and other similar documentation. The party that is required by applicable law to make the filings, reports, or returns with respect to any applicable Transfer Taxes shall do so, and the other party shall cooperate with respect thereto as necessary.

ARTICLE 8
EMPLOYEE BENEFITS

SECTION 8.01. *Definitions.* The following terms, as used herein, have the following meaning:

“Active Employee” means any individual who is presently (i) actively employed by Appleton or (ii) would be presently so actively employed but for absence due to vacation, workers’ compensation, short-term disability leave, military leave, leave under the Family and Medical Leave Act or layoff with recall rights.

“Benefit Arrangement” means any employment, severance or similar contract, arrangement or policy, or any plan or arrangement (whether or not written) providing for severance benefits, insurance coverage (including any self-insured arrangements), workers’ compensation, disability benefits, supplemental unemployment benefits, vacation benefits, educational assistance, pension or retirement benefits, deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or benefits that (i) is not an Employee Plan, (ii) is entered into, maintained, administered by or contributed to by General Signal or any of its Affiliates and (iii) covers any person who would, if the Closing occurred on the date hereof, be a GSEG Employee.

“Benefits Continuation Period” has the meaning assigned such term in Section 8.03(a).

“EGS Retiree Welfare Plan” has the meaning assigned such term in Section 8.08.

“Employee Plan” means any “employee benefit plan”, as defined in Section 3(3) of ERISA, that (i) is subject to any provision of ERISA, (ii) is maintained, administered or contributed to by General Signal or any of its ERISA Affiliates and (iii) covers any person who would, if the Closing occurred on the date hereof, be a GSEG Employee.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Code.

"Flexible Spending Ratio" has the meaning assigned such term in Section 8.06, 8.08, 8.09.

"G1 Pension Plans" has the meaning assigned such term in Section 8.05(c).

"GSEG Employee" means any individual who, as of the Closing, is an employee of G1 or G2. In the case of any person who is not an employee of G1 or G2 as of the Closing because of absence from active employment due to (i) long-term disability leave or (ii) approved leave of absence, upon the return of such person to active employment after the Closing such person shall be considered a GSEG Employee and this Article 8 shall thereafter apply to such individual, substituting, where appropriate, the date of his or return to employment for the "Closing Date;" *provided* neither G1 nor G2 shall be required to employ any individual described in clause (i) or (ii) above, except in accordance with the employment practices of General Signal as in effect on the date hereof.

"General Signal 401(k) Plan" means the General Signal Corporation Savings and Stock Ownership Plan.

"General Signal Nonunion Hourly Pension Plan" means the Pension Plan for Hourly Employees of General Signal Corporation.

"General Signal SERP" means the General Signal Corporation Benefit Equalization Plan.

"General Signal Union Hourly Pension Plan" means the Pension Plan for Bargaining Unit Employees of General Signal Corporation.

"General Signal Pension Plans" has the meaning assigned such term in Section 8.05(a).

"General Signal Retirement Plan" means the Corporate Retirement Plan of General Signal Corporation.

"Multiemployer Plan" means any Employee Plan that is a multiemployer plan, as defined in Section 3(37) of ERISA.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Title IV Plan" means each Employee Plan, other than any Multiemployer Plan, subject to Title IV of ERISA.

For purposes of this Article 8, neither G1 nor G2 shall be deemed to be an "Affiliate" of General Signal or Emerson.

SECTION 8.02. ERISA Representations. (a) Schedule 8.02 identifies each Employee Plan. General Signal has made available to Emerson or its representative copies of the Employee Plans (and, if applicable, related trust agreements) and all amendments thereto together with (i) the most recent annual reports prepared in connection with any Employee Plan (Form 5500 including, if applicable, Schedule B thereto) and (ii) the most recent actuarial valuation report prepared in connection with any Employee Plan. Schedule 8.02(a) identifies each Employee Plan which is (i) a Multiemployer Plan, (ii) a Title IV Plan or (iii) maintained in connection with any trust described in Section 501(c)(9) of the Code.

(b) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified during the period from its adoption to date; and each trust created under any such Plan is exempt from tax under Section 501(a) of the Code and has been so exempt during the period from creation to date. Each Employee Plan which is not a Multiemployer Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code. Except as disclosed in Schedule 8.02(b), there is no material matter pending (other than routine qualification determination filings or ruling requests) with respect to any Employee Plan before the Internal Revenue Service, the Department of Labor or the PBGC. The Projected Benefit Obligation of the Title IV Plans attributable to persons who would, if the Closing had occurred on August 31, 1997, be GSEG Employees does not in the aggregate exceed the Accumulated Benefit Obligation of such Plans attributable to such persons by more \$2.5 million, based on census data as of January 1, 1997 and plan provisions in effect on that date and the assumptions and methods used for purposes of disclosure in connection with General Signal's financial statements as of December 31, 1996.

(c) Schedule 8.02(c) identifies each Benefit Arrangement. General Signal has made available to Emerson or its representative copies or descriptions of each Benefit Arrangement. Each Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations.

(d) The Accumulated Postretirement Benefit Obligation (as defined in Statement of Financial Accounting Standards No. 106) in respect of post-retirement medical and life benefits for persons who would, if the Closing had occurred on August 31, 1997, be GSEG Employees does not in the aggregate

exceed \$2.8 million, based on census data as of January 1, 1996 and plan provisions in effect on that date and the assumptions and methods used for purposes of disclosure in connection with General Signal's financial statements as of December 31, 1996. Except as set forth on Schedule 8.02(d), to General Signal's knowledge, no condition exists that would prevent General Signal, G1 or G2 from amending or terminating any plan providing medical or life benefits in respect of any persons who would, if the Closing Date occurred on the date hereof, be GSEG Employees. The Projected Benefit Obligation with respect to nonqualified, unfunded retirement or deferred compensation benefits as of August 31 for individuals who would, if the Closing Date occurred on the date hereof, be GSEG Employees, does not in the aggregate exceed \$200,000, based on census data as of January 1, 1997 (excluding one executive who terminated employment subsequent to that date but prior to the date hereof) and plan provisions in effect on that date and the assumptions and methods used for purposes of disclosure in connection with General Signal's financial statements as of December 31, 1996.

(e) Except as set forth on Schedule 8.02(e), there has been no amendment to, written interpretation of or announcement (whether or not written) by General Signal or any of its Affiliates relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement that would increase materially the expense of maintaining such Employee Plan or Benefit Arrangement above the level of the expense incurred in respect thereof for the fiscal year ended on the Balance Sheet Date.

(f) Except as set forth in Schedule 8.02(f), no GSEG Employee will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit solely as a result of the transactions contemplated hereby.

(g) Except as disclosed in Schedule 8.02(g), there are no material claims pending or, to the knowledge of General Signal, threatened, between General Signal or any of its Affiliates and any persons who would, if the Closing Date occurred on the date hereof, be GSEG Employees. There are no unfair labor practice charges or complaints involving the GSEG Business pending against General Signal or any of its Affiliates before the National Labor Relations Board or any similar state agency. There are no strikes, slowdowns, work stoppages, lockouts, union organizational campaigns or other protected concerted activity under the National Labor Relations Act or, to the knowledge of General Signal, threats thereof, by or with respect to any persons who would, if the Closing occurred on the date hereof, be GSEG Employees.

SECTION 8.03. *Employee Benefits after the Closing Date.* (a) On and after the Closing Date, and until such time as determined by the management of EGS in

accordance with the General Signal Reorganization Agreement (such period referred to hereinafter as the "**Benefits Continuation Period**"), EGS shall maintain or shall cause G1 to maintain for employees of G1 and G2 employee plans and benefit arrangements that are substantially identical to the Employee Plans and Benefit Arrangements covering GSEG Employees immediately prior to the Closing Date.

(b) Notwithstanding Sections 8.03(a), 8.04(a), 8.05(b) or any other provision of this Article 8 to the contrary, General Signal, EGS and G1 may modify the terms and provisions of any employee plan or benefit arrangement as reasonably necessary to comply with applicable law (including, without limitation, as reasonably necessary to cause any employee plan intended to be qualified under Section 401(a) of the Code to be so qualified); *provided* that each such party shall use its best efforts to cause each such employee plan or benefit arrangement to comply with applicable law (and, where applicable, to obtain the Internal Revenue Service's determination that each such employee plan is qualified) in a form as similar as is reasonably practicable to that otherwise required pursuant to this Article 8.

(c) To facilitate adoption and establishment of employee plans and benefit arrangements in compliance with Section 8.03(a), General Signal grants EGS and G1 the right to use the text of documents (such as plan documents, summary plan descriptions, forms and administration manuals) developed by General Signal to maintain and administer the Employee Plans and Benefit Arrangements, and agrees to provide to EGS and G1 copies of computer files or disks containing such text, to the extent available; *provided* that EGS will reimburse General Signal for the reasonable cost of providing such files or disks.

SECTION 8.04. *Qualified Defined Contribution Plans.* (a) Subject to Section 8.03(b), effective as of the Closing Date, General Signal shall cause the General Signal 401(k) Plan to be amended to the extent necessary to permit the continued participation of G1 and its and G2's employees in such plan as described herein.

(b) During the Benefits Continuation Period, employees of G1 and G2 shall, subject to Section 8.03(b), be eligible to participate in the General Signal 401(k) Plan on substantially the same terms as are in effect with respect to GSEG Employees as of the Closing Date, as such terms may be modified from time to time during such Period for similarly situated employees of General Signal, except that employer matching contributions with respect to employees of G1 and G2 may be made in cash, rather than employer securities. EGS shall cause G1 to make all employer contributions on behalf of G1 and G2 employees under the General Signal 401(k) Plan with respect to periods after Closing Date. In

addition, EGS shall cause G1 to reimburse General Signal for G1's and G2's share, as reasonably agreed upon by General Signal and EGS, of the administrative costs associated with maintenance of the General Signal 401(k) Plan during the Benefits Continuation Period.

SECTION 8.05. *Qualified Defined Benefit Plans.* (a) General Signal shall retain all liabilities and obligations under the General Signal Retirement Plan, the General Signal Nonunion Hourly Pension Plan and the General Signal Union Hourly Pension Plan (collectively, the "General Signal Pension Plans") in respect of benefits accrued thereunder by employees of G1 and G2 prior to the Closing Date. No assets of any General Signal Pension Plan shall be transferred to a pension plan maintained by EGS, G1 or G2.

(b) Subject to Section 8.03(b), each General Signal Pension Plan shall be amended as of the Closing Date to provide as follows:

(i) Service by GSEG Employees with EGS or its Subsidiaries shall be recognized under such Plan for vesting purposes and for purposes of attainment of eligibility for normal retirement benefits.

(ii) Service by GSEG Employees with EGS or its Subsidiaries shall be recognized under such Plan for purposes of meeting any applicable requirements for the commencement of deferred benefits and applicable survivor and disability benefits.

(iii) Benefits shall not commence with respect to any GSEG Employee, under such Plan, prior to such Employee's termination of employment with EGS and its Subsidiaries (or any successor thereto).

(c) Subject to Section 8.03(b), EGS shall or shall cause G1 to establish or maintain a pension plan (collectively, the "G1 Pension Plans") corresponding to each of the General Signal Pension Plans and containing provisions substantially identical to the provisions of such General Signal Pension Plan as of the date of such G1 Pension Plan's establishment, as modified in Paragraphs (d) and (e) below.

(d) Each G1 Pension Plan shall provide that service and compensation, if applicable, recognized for purposes of determining benefits under the corresponding General Signal Pension Plan prior to establishment of G1 Pension Plan shall constitute service and compensation, if applicable, under such G1 Pension Plan for purposes of eligibility for participation and benefits, vesting, accrual of benefits (including but not limited to eligibility for early retirement subsidies and any benefits arising from any increase in benefit levels after the

Closing Date attributable to employment prior to the Closing Date) and for such other purposes as G1 deems appropriate.

(e) With respect to each GSEG Employee who participated, prior to the Closing Date, in a General Signal Pension Plan, the amount of benefit provided under the applicable G1 Pension Plan in the form of a life annuity¹ shall be reduced by the amount which would be payable under such General Signal Pension Plan in the form of a life annuity if such GSEG Employee elected the same commencement date under such General Signal Pension Plan. The net benefit under such G1 Pension Plan shall be further adjusted for the selected form of payment and to reflect any adjustments for payments to a beneficiary. Should benefits commence under the applicable G1 Pension Plan at a date prior to the date benefits are available under such General Signal Pension Plan, the G1 benefit will be actuarially reduced to take into account the benefit payable from the General Signal Pension Plan in the form of a life annuity at the earliest date the benefit could commence from the General Signal Pension Plan. The parties intend that the net benefit reduction under the applicable G1 Pension Plan pursuant to this Section 8.05(e) with respect to any GSEG Employee shall be calculated in such a manner as to produce an aggregate benefit, under such G1 Pension Plan and the applicable General Signal Pension Plan, actuarially equivalent to that which would have been payable with respect to such GSEG Employee under the G1 Pension Plan alone, without regard to such reduction. General Signal shall provide to EGS such information as is necessary to calculate the amount of the reduction under this Section 8.05(e) from time to time with respect to GSEG Employees. EGS shall reimburse General Signal for the reasonable cost of compiling and providing such information.

(f) The General Signal Retirement Plan shall be amended as of the Closing Date to provide that service and attainment of a specified age with EGS or any Subsidiary shall be recognized for purposes of attainment of eligibility to apply for a lump sum distribution under the provisions of the General Signal Retirement Plan in effect at the time of retirement or termination of employment with EGS and its Subsidiaries.

SECTION 8.06. *Multiemployer Liability.* (a) With respect to each Multiemployer Plan that covers GSEG Employees, General Signal and EGS agree as follows, in accordance with the provisions of Section 4204 of ERISA:

¹ For those benefits with a five year certain and life annuity normal form of payment as of the Closing Date, "life annuity" will be replaced by "five year certain and life annuity" throughout this Section.

(i) G1 shall assume, effective as of the Closing Date, General Signal's obligation to contribute to each such Multiemployer Plan for the GSEG Employees;

(ii) G1 shall provide to each such Multiemployer Plan the bond or escrow amount described in Section 4204(a)(1)(B) of ERISA, unless the bond or escrow amount is waived by the PBGC; and

(iii) The parties agree that, unless the PBGC waives the requirements of Section 4204(a)(1)(C) of ERISA, if G1 withdraws from any such Multiemployer Plan during the first five Plan years commencing after the Closing Date in a withdrawal described in Section 4204(a)(1)(C) of ERISA and does not pay its liability to the Plan on account of such withdrawal, General Signal shall be secondarily liable to the Plan for any withdrawal liability it would have had to such Plan with respect to the GSEG Employees in the absence of Section 4204(a) of ERISA.

Notwithstanding the provisions of the preceding sentence and Section 4204 of ERISA, it is hereby expressly agreed that if General Signal incurs any secondary withdrawal liability under the preceding sentence, EGS shall indemnify General Signal and hold it harmless from and against any loss, damage, cost, liability or expense, including (without limitation) any costs and expenses of litigation and reasonable attorney's fees, incurred by General Signal by reason of such secondary liability.

(b) As soon as is practicable after the Closing Date (but in any event prior to any applicable PBGC deadline), General Signal and G1 shall request from the PBGC an exemption from the requirements of Sections 4204(a)(1)(B) and 4204(a)(1)(C) of ERISA.

SECTION 8.07. *Nonqualified Retirement Benefits; Deferred Compensation.* (a) During the Benefits Continuation Period, EGS shall maintain or establish, or shall cause G1 to maintain or establish, a nonqualified retirement plan providing benefits substantially identical to the General Signal SERP. As of the Closing Date, EGS or G1 shall retain or assume liability for all benefits payable (including all benefits accrued to date) under the General Signal SERP with respect to GSEG Employees.

(b) During the Benefits Continuation Period, EGS shall maintain or establish, or shall cause G1 to maintain or establish, a nonqualified deferred compensation program providing benefits substantially identical to those provided GSEG Employees by General Signal or G1 (other than under the General Signal SERP) prior to the Closing Date. As of the Closing Date, EGS or G1 shall retain

or assume liability for all such nonqualified deferred compensation benefits payable by General Signal or G1 with respect to GSEG Employees.

SECTION 8.08. *Retiree Welfare Benefits.* Effective as of the Closing Date, EGS shall establish or designate a retiree welfare benefit plan or plans (the "**EGS Retiree Welfare Plan**") effective as of the Closing Date covering employees of G1 and G2. During the Benefits Continuation Period, G1 employees shall be provided with retiree medical and life insurance benefits under the EGS Retiree Plan substantially identical to the benefits provided GSEG Employees prior to the Closing Date under the retiree welfare benefit plans maintained by General Signal. As of the Closing Date, EGS or, where appropriate, the EGS Retiree Welfare Plan, shall assume liability for all retiree welfare benefits of GSEG Employees under the retiree welfare benefit plans maintained by General Signal and its Affiliates.

SECTION 8.09. *Other Benefits.* As soon as reasonably practicable after the Closing Date, EGS shall establish or shall cause G1 to establish such health, severance, vacation and other benefit plans and arrangements for the benefit of employees of G1 and G2 as are necessary, in addition to the plans expressly described elsewhere in this Article 8, to comply with the requirements of Section 8.03. Expenses incurred by GSEG Employees under General Signal's health plans during the year that includes the Closing Date shall be taken into account for purposes of satisfying deductible and coinsurance requirements and satisfaction of out-of-pocket provisions of EGS's health plans for such year. General Signal shall retain liability for all claims incurred prior to the Closing Date by any GSEG Employee (or his or her beneficiary) under any Employee Plan or Benefit Arrangement. For purposes of this Section 8.09, a claim with respect to medical, dental or similar benefits shall be deemed "incurred" when the relevant service is provided or item is purchased. As of the Closing Date, EGS shall credit or cause G1 to credit each GSEG Employee with the unused vacation days accrued by such employee in accordance with the vacation policy of General Signal applicable to such GSEG Employee in effect as of the Closing Date. As soon as practicable after the end of calendar year 1997, EGS shall reimburse General Signal, or General Signal shall reimburse EGS, as necessary to ensure that the Flexible Spending Ratio, as defined below, is equal for such calendar year for both General Signal and EGS. For this purpose, the "**Flexible Spending Ratio**" for either General Signal or EGS shall mean the ratio of (i) claims paid by such party for calendar year 1997 on behalf of GSEG Employees under "flexible spending accounts" (within the meaning of Q/A-7(c) of Proposed Treasury Regulation Section 1.125-2) over (ii) amounts withheld with respect to such accounts from GSEG Employees' compensation by such party for such calendar year. For purposes of the preceding sentence, any claims paid or compensation withheld by G1 or G2 shall be treated as paid or withheld by EGS.

SECTION 8.10. *VEBA*. As soon as reasonably practicable after the Closing Date, EGS shall establish or designate a trust eligible for exemption under Code Section 501(c)(9) for the purpose of accumulating assets for payment of certain medical and other welfare benefits for employees of G1 and G2 and their beneficiaries.

SECTION 8.11. *COBRA*. (a) As of the Closing Date, EGS shall assume General Signal's obligations and liabilities with respect to health care benefits provided and to be provided to GSEG Employees under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and shall indemnify and hold harmless General Signal and its Affiliates with respect thereto.

SECTION 8.12. *Third Party Beneficiaries*. No provision of this Article 8 shall create any third party beneficiary rights in any person (including any beneficiary or dependent thereof) in respect of continued employment or resumed employment, and no provision of this Article 8 shall create any rights in any persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or benefit arrangement.

ARTICLE 9

SURVIVAL; INDEMNIFICATION

SECTION 9.01. *Survival*. The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing until the second anniversary of the Closing Date; *provided* that (i) the representations and warranties in Section 3.20 shall survive for three years and (ii) the representations and warranties contained in Articles 7 or 8 shall survive until expiration of the statute of limitations applicable to the matters covered thereby (giving effect to any waiver, mitigation or extension thereof), if later. Notwithstanding the preceding sentence, any representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the inaccuracy thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

SECTION 9.02. *Indemnification*. (a) *General Indemnification*.

(i) General Signal hereby indemnifies EGS, EGS's Subsidiaries and their respective directors, officers, employees and agents against and agrees to hold each of them harmless from any and all damage, loss,

liability and expense (including, without limitation, injunctive relief, fines, penalties and reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) ("Damages") incurred or suffered by EGS or any of EGS's Subsidiaries arising out of:

(A) any misrepresentation or breach of warranty (including, without limitation, any misrepresentation or breach of warranty in Section 3.20), covenant or agreement made or to be performed by General Signal pursuant to this Agreement; or

(B) any Excluded Liability as defined in the General Signal Reorganization Agreement;

provided that General Signal shall not be liable under Section 9.02(a)(i)(A) unless the amount of Damages exceeds \$500,000.

(ii) EGS hereby indemnifies the GS Group and their respective directors, officers, employees and agents against and agrees to hold each of them harmless from any and all Damages incurred or suffered by the GS Group arising out of:

(A) any breach of covenant or agreement made or to be performed by EGS pursuant to this Agreement; or

(B) any Assumed Liability (other than Environmental Liabilities, which are covered in clauses 9.02(b) and 9.02(c) below) as defined in the General Signal Reorganization Agreement.

(b) *Company Environmental Indemnification.* EGS hereby indemnifies the GS Group and its directors, officers, employees, agents, successors and assigns from and against any Damages and the costs of any Remedial Actions arising out of or relating to:

(i) any Environmental Liabilities;

(ii) any voluntary site testing, disclosure or reporting after the Closing Date by EGS or EGS's Subsidiaries or their respective employees, contractors, or agents to governmental authorities or other third parties which voluntary action is reasonably likely to lead to identification of an Environmental Liability which may be subject to indemnification by General Signal hereunder ("EGS Voluntary Actions");

(iii) any due diligence activities, testing, audits, assessments, or any reporting or disclosure to governmental authorities (whether voluntary or required by law) or inquiries directed to governmental authorities after the Closing Date by or on behalf of or for the benefit of EGS or its Subsidiaries or any actual or prospective buyer, lessee, sublessee, assignee, lender, or insurer with respect to any contemplated or completed financing, sale, closure, dissolution, winding up, lease, sublease, lease or sublease termination or assignment, or other disposal of a facility or Real Property or of G1 or any of its Subsidiaries by EGS or EGS's Subsidiaries (including without limitation those transactions occurring within the first three years following the Closing Date) ("**EGS Real Property Disposals**") which leads to identification of an Environmental Liability;

(iv) except as set forth in Section 9.05, obligations of the GS Group or G1, G2 or any Subsidiaries thereof to the extent arising out of or relating to a state environmental transfer act with respect to this Agreement or any prior or subsequent transaction involving the sale, lease, or lease termination of Real Property or the transfer of any of the business operations of G1, G2 or any Subsidiaries thereof prior to, on or after the Closing Date; and

(v) the business operations of EGS, G1 or its Subsidiaries or any activities or operations occurring or conducted at the Real Property to the extent such Damages or costs arise out of the occurrence, after the Closing Date, of (A) releases or threatened releases, spills, leaching, leaking, injection, or discharges (but excluding any migration of releases that began or existed at, on or under the Real Property on or prior to the Closing Date to the extent covered by General Signal's indemnification obligations in this Article 9) of Hazardous Substances, (B) the use, generation, storage, disposal, treatment or recycling of any Hazardous Substances at or from the Real Property or by EGS, G1 or any of their Subsidiaries or (C) the violation of or liability under any Environmental Law or Environmental Permit due to actions which occur after the Closing Date; *provided* that indemnification shall not be provided under this subclause (v) with respect to the property at Fieldstone Court in the Town of Cheshire, Connecticut except to the extent that such Damages or costs of Remedial Actions were caused by the operation of the G1 Business at such property;

provided that indemnification shall not be provided under this clause (b) for any Environmental Liabilities to the extent subject to indemnification by General Signal pursuant to this Article 9. The indemnification provisions set forth in this Section 9.02(b) shall survive indefinitely, subject to the terms of Section 9.05 below.

(c) *General Signal Environmental Indemnification.* General Signal hereby indemnifies EGS and EGS's Subsidiaries and their respective directors, officers, employees and agents against any Damages or costs of Remedial Actions arising out of or relating to (i) subject to the limitations set forth in Sections 9.04 and 9.05, any Environmental Liabilities which arise out of an Environmental Claim with respect to which an initial written notice is received or an obligation under an Environmental Law to perform a Remedial Action is initially identified by EGS or any of EGS's Subsidiaries after the Closing Date and on or prior to the third anniversary of the Closing Date, except for (A) Excluded Environmental Liabilities (which are covered by Section 9.02(a)(i)(B) above), (B) Environmental Liabilities relating to a breach of the representation and warranty set forth in Section 3.20 hereof (which are covered by Section 9.02(a)(i)(A) above), and (C) Environmental Liabilities to the extent relating to an EGS Voluntary Action or an EGS Real Property Disposal and (ii) any voluntary site testing, disclosure or reporting by General Signal or its employees, contractors or agents to governmental authorities or other third parties which voluntary action is reasonably likely to lead to identification of an Environmental Liability. Notwithstanding the foregoing, General Signal shall not be liable for any costs relating to Remedial Actions unless such action is required to be undertaken by an Environmental Law and represents the least stringent remedy required by an Environmental Law based on the use of the property as of the Closing Date.

SECTION 9.03. *Procedures.* (a) *General Procedures.* The party seeking indemnification under Section 9.02 (the "**Indemnified Party**") agrees to give prompt notice to the party against whom indemnity is sought (the "**Indemnifying Party**") of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought under such Section; *provided* that Emerson agrees to give prompt notice to General Signal on behalf of EGS and its Subsidiaries if Emerson, in its sole discretion, determines that EGS or any of its Subsidiaries has any such claim against General Signal under Section 9.02(a). The Indemnifying Party may participate in and control the defense of any such suit, action or proceeding at its own expense. If the Indemnifying Party has assumed the defense of the applicable third party claim, the Indemnifying Party shall not be liable under Section 9.02 for any settlement effected without its consent of any claim, litigation or proceeding in respect of which indemnity may be sought hereunder.

(b) *Environmental Procedures.*

(i) After the Closing Date, with respect to actual or potential Environmental Liabilities for which General Signal or EGS is obligated to indemnify the other party hereunder, the party which is primarily responsible, hereunder, for payment of any Damages relating thereto (the

"Controlling Party") shall have the right to retain the defense and control of such matter.

(ii) With respect to the defense and control of environmental matters pursuant to this Article 9, (A) the party which is not the Controlling Party shall (1) be entitled to participate fully in all substantive deliberations regarding the Environmental Liability and any corresponding Remedial Action, (2) provide or be provided with reasonable access to employees with relevant facts about the Environmental Liability and (3) provide or be provided with reasonable access to any Real Property and (B) the Controlling Party agrees to (1) provide copies of any material documents to the other party and a reasonable opportunity to comment on such documents, (2) keep the other party reasonably informed relating to the progress of such matter, (3) select counsel, contractors and consultants of recognized standing and competence after consultation with the other party, (4) take all steps necessary in the defense thereof and (5) at all times diligently and promptly pursue the resolution thereof.

(iii) Each of General Signal and EGS, on behalf of itself and its Subsidiaries, agrees that for three years from the date hereof it shall not, and it shall not permit any of its directors, officers, employees and agents to, voluntarily take any action or initiate or encourage any action by any third party, including any governmental agency or authority, which may lead to identification of any Environmental Liabilities unless and to the extent required to do so by an Environmental Law or, without modifying any indemnification obligations of EGS under this Article 9, unless necessary to permit a financing, sale, closure, sublease, lease or sublease termination or assignment or other disposal of a facility or Real Property by EGS or EGS's Subsidiaries, and that at all times after the date hereof it shall, and shall cause each of its directors, officers, employees and agents to, cooperate fully in the resolution of any Environmental Liability.

(iv) Subject to compliance with all Environmental Laws and the terms of this Agreement, the Services Agreement and the LLC Agreement, General Signal, EGS and EGS's Subsidiaries agree to maintain in strict confidence all information concerning any environmental matters relating to the Real Property and the assets of G1 and the Subsidiaries.

SECTION 9.04. *Limitations on General Signal's Environmental Indemnification.* General Signal's liability to EGS or EGS's Subsidiaries under Section 9.02(c)(i) shall be limited as follows: (i) with respect to any Environmental Liability which arises out of an Environmental Claim with respect to which an initial written notice is received or an obligation under an

Environmental Law to perform a Remedial Action is initially identified by EGS or any EGS Subsidiary on or prior to the first anniversary of the Closing Date, General Signal shall be responsible for 100% of any Damages incurred, (ii) with respect to any Environmental Liability which arises out of an Environmental Claim with respect to which an initial written notice is received or an obligation under an Environmental Law to perform a Remedial Action is initially identified by EGS or any EGS Subsidiary after the first anniversary of the Closing Date and on or prior to the second anniversary of the Closing Date, General Signal shall be responsible for 66 $\frac{2}{3}$ % of any Damages incurred, (iii) with respect to any Environmental Liability which arises out of an Environmental Claim with respect to which an initial written notice is received or an obligation under an Environmental Law to perform a Remedial Action is initially identified by EGS or any EGS Subsidiary after the second anniversary of the Closing Date and on or prior to the third anniversary of the Closing Date, General Signal shall be responsible for 33 $\frac{1}{3}$ % of any Damages incurred and (iv) with respect to any Environmental Liability which arises out of an Environmental Claim with respect to which an initial written notice is not received nor is an obligation under an Environmental Law to perform a Remedial Action initially identified by EGS or any EGS Subsidiary on or prior to the third anniversary of the Closing Date, General Signal shall have no liability; *provided* that notwithstanding the foregoing, EGS or EGS's Subsidiaries shall pay for, and General Signal shall not be liable for, the first \$250,000 of aggregate Damages relating to any Environmental Liabilities arising out of any Environmental Claim which are actually incurred in each of the first, second and third years after the Closing Date.

SECTION 9.05. *Lease Renewal Provisions.* (a) In the event that EGS is in compliance in all material respects with its obligations under the terms of the lease between GSBSC and G2 dated as of September 13, 1997 (the "Terryville Lease") relating to the real property located in Terryville, Connecticut (the "Terryville Property"), and General Signal unreasonably refuses to agree to renew or extend the lease following any written notice from EGS within six months prior to the end of the lease term requesting a lease extension for a reasonable period and with a reasonable rate increase reflecting such factors as tax increases and an inflation adjustment, then EGS's obligation to indemnify the GS Group, its directors, officers, employees, agents, successors and assigns pursuant to Article 9 hereof with respect to the Terryville Property shall cease upon termination of the Terryville Lease and General Signal shall then indemnify and hold EGS and its directors, officers, employees, agents, successors and assigns harmless from and against any Damages and Remedial Actions arising out of or relating to any Environmental Law relating to the Terryville Property, whenever arising and whether based on actions occurring or conditions existing on, after or prior to the termination of the Terryville Lease, and including any Damages and

costs of Remedial Actions arising out of any obligations triggered by a state transfer act.

(b) General Signal agrees to notify EGS if, at any time after the termination or expiration of the Terryville Lease, General Signal receives an offer to sell or lease the Terryville Property to a third party other than an Affiliate of General Signal. Within 30 days after EGS's receipt of such notice, EGS and General Signal agree to enter into good faith negotiations pursuant to which EGS may elect to either (i) purchase the Terryville Property at a price to be determined which shall not exceed the fair market value (as determined in accordance with the procedures set forth in the Terryville Lease), on the sale date, of the Terryville Property or (ii) lease the Terryville Property for an agreed upon period at a base rent not to exceed General Signal's cost of carrying (out of pocket expenses and depreciation) the Terryville Property; *provided* that if such good faith negotiations fail after an additional 30 days (or such longer period as necessary to perform the appraisal or as mutually agreed between General Signal and EGS) and General Signal sells or leases the Terryville Property to a third party other than an Affiliate of General Signal, then any indemnification owed by EGS to General Signal pursuant to this Article 9 shall be reduced, in the event of a sale, by the net proceeds of sale (which for purposes hereof shall be no less than the fair market value of the Terryville Property as determined in accordance with the procedures set forth in the Terryville Lease) and, in the event of a lease, by the value of the lease (which for purposes hereof shall be no less than the fair market value of such lease (as determined in accordance with the procedures set forth in the Terryville Lease) minus General Signal's cost of carrying (out of pocket expenses and depreciation) the Terryville Property during the term of the lease).

SECTION 9.06. *Exclusivity.* Except as specifically set forth in this Agreement, EGS and General Signal waive any rights and claims EGS or General Signal may have against Emerson, whether in law or in equity, relating to EGS or the transactions contemplated hereby. The rights and claims waived by EGS and General Signal include, without limitation, claims for contribution or other rights of recovery arising out of or relating to any Environmental Law, claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty. After the Closing, Sections 9.02 will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement (other than those contained in Sections 4.01 and 5.01) or other claim arising out of this Agreement or the transactions contemplated hereby.

ARTICLE 10
MISCELLANEOUS

SECTION 10.01. *Notices.* All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to EGS, to:

Emerson Electric Co.
8000 W. Florissant Avenue
St. Louis, Missouri 63136
Attention: Senior Vice President and General Counsel
Fax: (314) 553-1605

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Phillip R. Mills, Esq.
Fax: (212) 450-4800

and if such notice is sent to EGS by Emerson, with a copy to General Signal.

if to General Signal, to:

General Signal Corporation
One High Ridge Park, Box 10010
Stamford, Connecticut 06904
Attention: Senior Vice President, General Counsel and Secretary
Fax: (203) 329-4396

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

SECTION 10.02. *Amendments and Waivers.* (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this

Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 10.03. *Expenses.* Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

SECTION 10.04. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

SECTION 10.05. *Dispute Resolution.* If a dispute relating to this Agreement arises between the parties, the following procedure shall be implemented before either party pursues other available remedies. The parties shall promptly hold a meeting attended by representatives of EGS, General Signal and Emerson with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute. If not resolved at such meeting, the parties shall continue to attempt in good faith to negotiate a resolution of the dispute for 30 days after such meeting. If within 30 days after such meeting the parties have not succeeded in negotiating a resolution of the dispute, the chairmen of General Signal and Emerson and an appropriate representative of EGS shall meet in good faith to determine if a mutually acceptable course of action can be agreed. If within 30 days after such meeting the parties have not succeeded in negotiating a resolution of the dispute, the parties shall submit their dispute to the nearest office of J.A.M.S./Endispute for mediation. The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of 30 days. If the parties are not successful in resolving the dispute through the mediation, then any party may seek to resolve the dispute by litigation in an appropriate court of jurisdiction.

SECTION 10.06. *Governing Law.* This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to the conflicts of law rules of such state.

SECTION 10.07. *Jurisdiction.* Except as otherwise expressly provided in this Agreement the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 10.01 shall be deemed effective service of process on such party.

SECTION 10.08. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.


SECTION 10.09. *Counterparts; Third Party Beneficiaries.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 10.10. *Entire Agreement.* This Agreement and the Joint Venture Documents set forth on Annex A constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

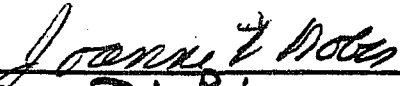
SECTION 10.11. *Captions.* The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.


EGS ELECTRICAL GROUP LLC

By: 
Name: J. D. Switzer
Title: Vice President

GENERAL SIGNAL CORPORATION

By: 
Name: J. L. Bober
Title: Senior Vice President

EMERSON ELECTRIC CO.

By: 
Name: J. D. Switzer
Title: Vice President

ANNEX A — JOINT VENTURE DOCUMENTS

Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Amended and Restated Limited Liability Company Agreement dated September 15, 1997 among EGS, Appleton, Emerson, General Signal and GSBSC (the "LLC Agreement").

1. The LLC Agreement.
2. Emerson Reorganization Agreement.
3. General Signal Reorganization Agreement.
4. Emerson Contribution Agreement.
5. General Signal Contribution Agreement.
6. Services Agreement.
7. Claims Administration Agreement.
8. Legal Services Letter Agreement dated as of September 15, 1997 between Emerson and General Signal relating to the provision of certain legal services.
9. Trademark License Agreement dated as of September 15, 1997 between GSBSC and G1 relating to the "Edwards" trademarks.
10. Trademark License Agreement dated as of September 15, 1997 between General Signal Limited and G1 relating to the license of the "Adaptabel" trademark and other trademarks in Canada.
11. Trademark License Agreement dated as of September 15, 1997 between GSBSC and G1 relating to the license of the "Adaptabel" trademark and other trademarks worldwide.
12. Trademark License Agreement dated as of September 15, 1997 between General Signal and G1 relating to the license of the "SOLA" trademarks.

13. Trademark License Agreement dated as of September 15, 1997 between General Signal and G1 relating to the license of the "Hevi-duty" trademark.
14. Patent License Agreement dated as of September 15, 1997 between General Signal and G1 relating to the license of certain patents used in General Signal's retained business.
15. Technology License Agreement dated as of September 15, 1997 between General Signal Power Systems, Inc. and G1 relating to the license of certain intellectual property rights relating to an ILS System.
16. Technology License Agreement dated as of September 15, 1997 between G1 and Sola Australia Limited relating to the license of certain intellectual property rights relating to voltage regulators, power conductors, uninterruptible power sources and parts.
17. Supply Agreement dated as of September 15, 1997 between G1 and GSBSC relating to the supply of Dual-Lite Cabinets.
18. Supply Agreement dated as of September 15, 1997 between G1 and General Signal Power Systems, Inc. relating to the supply of electrical fittings.
19. Supply Agreement dated as of September 15, 1997 between G1 and GSBSC relating to the supply of signaling products.
20. Supply Agreement dated as of September 15, 1997 between G1 and General Signal Power Systems, Inc. relating to the supply of ILS Inverter Products.
21. Distribution Agreement dated as of September 15, 1997 between G1 and General Signal Power Systems, Inc. relating to the distribution of certain uninterruptible power systems and power protection devices.
22. Distribution Agreement dated as of September 15, 1997 between G1 and General Signal Power Systems, Inc. relating to the distribution of certain constant voltage power conditioners sold by G1 under the "SOLA" trademarks.

23. Distribution Agreement dated as of September 15, 1997 between G1 and GSBSC relating to the distribution of certain Dual-Lite products in Canada.

Schedule 3.12
Compliance with Laws and Court Orders

See Schedule 3.20 with respect to Environmental matters listed thereon.

See Schedule 3.11 with respect to the Connecticut Department of Environmental Protection/Borelli Farms matter and ongoing investigation with respect thereto.

See Schedule 3.13(a) with respect to liens encumbering a property located in Brooklyn which is leased by General Signal Corporation.

Schedule 3.13 (a)
Leased Premises

The factory property located in La Grange, Georgia is subject to a \$3,500,000 Trust Indenture to The Citizens and Southern National Bank as Trustee to secure a bond issue. Interest payments with respect to the Indenture are paid semi-annually in June and December. Payments for 1997 totaled \$196,882. Amount indicated above reflects total annual payments divided by twelve.

The Brooklyn, NY premises is currently subject to a tax warrant in the amount of \$134,926, not including interest and penalties, filed in the Kings County Clerk's Office. The warrant resulted from the state's determination that payroll taxes for certain quarters during tax years 1992 through 1994 were not remitted to the state. General Signal believes that the taxes were paid and were erroneously applied by the state to other General Signal units. Proof of payment of the taxes has been obtained and submitted to the Department of Taxation and Finance. Copies of all documents relating to this matter have been forwarded to Emerson.

The Brooklyn property is subject to a lis pendens action filed by a mortgage broker for the landlord seeking payment of a brokerage commission with respect to the obtaining of financing for the property. Copies of all documents regarding the lis pendens have previously been provided to Emerson.

Certain property taxes with respect to tax years 1991 through 1996 regarding the Brooklyn property remain unpaid. See attached list of unpaid taxes and resulting liens.

See attached title exceptions, encumbrances and requirements with regard to the real properties located in Lexington, OH; Tulsa, OK; Shoemakersville, PA; Celina, TN; Lake Geneva, WI; and Longboat Key, FL.

Certain leases, including the LaGrange lease contain an option to purchase. Copies of all leases have previously been provided to Emerson.

In addition to the above leased properties, there may be a small amount of other warehouse space leased on a month-to-month basis or a per foot basis or a per pallet basis.

Republic Insurance Corporation

**NATIONAL HEADQUARTERS
BOCA RATON, FLORIDA**

SCHEDULE B—SECTION 2 EXCEPTIONS

THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

- 1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.**
- 2. Rights or claims of parties in possession not shown by the Public Records.**
- 3. Easements, or claims of easements, not shown by the Public Records.**
- 4. Any discrepancies, encroachments, conflicts, overlaps, boundary line disputes, mortgages in area or boundaries or other matters which would be disclosed by an accurate survey and inspection of the premises.**
- 5. Any lien or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.**
- 6. Taxes for 1990 and subsequent years (which are not yet due and payable) COUNTY OF MANATEE.**

Riparian and littoral rights are not insured. Title to any part of the land that is submerged or below the mean high watermark is not insured.

Oil, gas and mineral rights reserved to State of Florida, as recorded in Deed Book 63, Page 221, of said Records to which the right of entry and exploration has been released per Florida Statutes, Sec. 270.11(2).

All of the covenants, conditions, restrictions, easements, assessments, terms and other provisions of the Declaration of Condominium, together with Exhibits recorded in Official Records Book 986, Pages 3300 thru 3377, and Amendments thereto, of said Records.

Easement(s) granted to General Telephone Company recorded in Official Records Book 1007, Page 3766, of said Records.

(Continued)

IF POLICY IS TO BE ISSUED IN SUPPORT OF A MORTGAGE LOAN, ATTENTION IS DIRECTED TO THE FACT THAT THE COMPANY CAN ASSUME NO LIABILITY UNDER ITS POLICY, THE CLOSING INSTRUCTIONS, OR ANY CLOSING SERVICE FOR COMPLIANCE WITH THE REQUIREMENTS OF ANY CONSUMER CREDIT PROTECTION ACT OR TRUTH-IN LENDING LAW IN CONNECTION WITH SAID MORTGAGE LOAN.

**THIS COMMITMENT IS INVALID UNLESS THE
ENTIRE SCHEDULE B—SECTION 2, INCLUDING PROVISIONS AND SCHEDULES A AND B,
IS ATTACHED, Commitment No. BF 632132**

**SCHEDULE B—SECTION 2—PAGE 1
Form No. 91-88 (B-2)
035-1-088-0004/1**

Condominium Association

NATIONAL HEADQUARTERS

MEMPHIS, TENNESSEE

SCHEDULE B

EXCEPTIONS CONTINUED

~~Subject to~~ the rights, if any, of the public to use as a public beach or recreational area a portion of the land lying between the body of water abutting the insured property and a natural line of vegetation, bluff, extreme high water line or other apparent boundary separating the publicly used area from the upland private area.

12. Liability for assessments levied by the Condominium Association subsequent to the date of this policy.

NOTE: Nothing herein contained shall be construed as insuring that tax assessments on the premises will be made in any particular manner.

NOTE: For information only, attention is called to the fact that, as contemplated by the instruments identified in the Declaration of Condominium: 1) persons other than the Insured may own or hereafter acquire estates or interest, other than those hereby insured, in the property described in Schedule A, Item 4 hereof; and 2) the Insured hereunder is subject to the Use Period Provision as prescribed in said instruments.

Form Number C65119

MUNICIPAL DATA SERVICES, INC.
 100 N. STREET, BROOKLYN, NY 11211
 PHONE (718) 684-8800 FAX (718) 684-8800
BROOKLYN TITLE NO. FI-256-REQ12857

The report shows, water cost, measurements and other matters relating to taxes which are items at the date of this report are set forth below.

TAX MAP ATTACHE

BUILDING CLASS F1	TRANSITIONAL LAND	1997/98	
TAX CLASS - 4	TRANSITIONAL TOTAL	\$346,500	
TAX RATE - 10.072	EEMPT LAND	\$802,926	
	EEMPT TOTAL	NONE	
SRC 1st VOL 3	ACTUAL LAND	\$346,500	
BLOCK : 4427	ACTUAL TOTAL	\$846,000	
LOT : 1	ACTUAL EEMPT LAND	NONE	
	ACTUAL EEMPT TOTAL	NONE	
	REASONS FOR EXEMPTIONS	NO EXEMPTIONS	

A.O. LIWAK & CO
LOT# 1 - 1101 ELTON STREET

TAXES 97/98:

1st Half Due 07/01 \$41157.98 PAID 07/03/97*
 2nd Half Due 01/01 \$41157.98 OPEN
NOTE: 1997/98 TAXES ARE CALCULATED FROM 1996/97 TAX RATES AND WILL BE ADJUSTED.

TAXES 96/97:

2nd Half Due 01/01 \$39323.84 PAID 07/26/97*

TAXES 95/96:

1st Half Due 07/01 \$46167.32 LIEN SOLD 05/21/96
 2nd Half Due 01/01 \$42163.50 LIEN SOLD 05/21/96

Continued on next page...

This report is based on data furnished to the City of New York and is based on the public records. Municipal government records may be subject to correction. This report is not a guarantee of accuracy and should not be used for legal purposes. The City of New York is not responsible for any errors or omissions in this report. The City of New York is not responsible for any damages or losses resulting from the use of this report. The City of New York is not responsible for any damages or losses resulting from the use of this report. The City of New York is not responsible for any damages or losses resulting from the use of this report.

File # 314 6604

9-10-1997 3:24PM FROM MOSSI1 7188154380



30 HAT KIDNEY STREET WILMINGTON, NY 13851
PHONE (518) 537-7411 (TDD) 537-7412

Continued

TITLE NO.

PI-256 REQ12857

The unpaid taxes, water rates, assessments and other matters relating to taxes which are listed on this certificate are set forth below.

DISPOSITION

TAXES 94/95:				
2nd Half	Due 01/01	\$53057.99	1 LIEN SOLD	05/21/96
TAXES 93/94:				
1st Half	Due 07/01	\$63348.37	1 LIEN SOLD	05/21/96
TAXES 92/93:				
1st Half	Due 07/01	\$77960.86	1 LIEN SOLD	05/21/96
2nd Half	Due 01/01	\$71199.77	1 LIEN SOLD	05/21/96
TAXES 91/92:				
2nd Half	Due 01/01	\$49015.21	1 LIEN SOLD	05/21/96
METER# 2374				
FROM 11/17/94	TO 01/23/95	\$82.34	ENTERED	02/13/95
			1 LIEN SOLD	05/21/96
METER# 2374				
FROM 02/24/93	TO 06/11/93	\$3108.00	ENTERED	07/05/93
			1 LIEN SOLD	05/21/96
METER# 2374				
FROM 07/16/92	TO 02/24/93	\$7262.82	ENTERED	03/22/93
			1 LIEN SOLD	05/21/96
METER# 2374				
FROM 03/11/92	TO 07/16/92	\$4025.97	ENTERED	08/17/92
			1 LIEN SOLD	05/21/96

Continued on next page..

Responsibility limited to errors known and not known that are shown on the date of this report and reflected on the public records. Revised payments reflected may be required as the month does not cover any part of the period on which the property to be listed and/or not listed is covered. Changes and additional charges due to building process delay. Address change, meter testing, required hardware reported as complete, to improve customer service, to make additional charges. The information listed above may be corrected on the day of the next report date of the Board of Assessors. Please contact the office or call (518) 537-7411 for more information.

File #

10-1897 3:24PM

FROM MDSST1 7188154388

P. 4

MUNICIPAL DATA SERVICES, INC.

Continued

TITLE NO.

PI-256 REQ12857

The unpaid taxes, water rent, assessments and other charges relating to taxes which are shown at the date of this certificate are set forth below.

METER# 2374 FROM 10/28/91 TO 03/11/92 \$6428.10 ENTERED 04/20/92 LIEN SOLD 05/21/96

METER# 2374 FROM 05/03/91 TO 10/28/91 \$9260.00 ENTERED 03/16/92 LIEN SOLD 05/21/96

DISPOSITION

METER# 1174 FROM 11/17/94 TO 01/23/95 \$30.29 ENTERED 03/27/95 LIEN SOLD 05/21/96

METER# 1174 FROM 07/16/92 TO 02/24/93 \$1904.70 ENTERED 03/22/93 LIEN SOLD 05/21/96

METER# 1174 FROM 03/11/92 TO 07/16/92 \$2609.28 ENTERED 02/22/93 LIEN SOLD 05/21/96

METER# 1174 FROM 05/03/91 TO 03/11/92 \$19339.27 ENTERED 08/03/92 LIEN SOLD 05/21/96

NOTE: WATER, SEWER RENT, AND METER CHARGES WERE TRANSFERRED TO THE DEPARTMENT OF ENVIRONMENTAL PROTECTION AS OF 3/23/95. THE CHARGES BELOW ARE BILLED THROUGH THE NEW D.E.P. SYSTEM.

WATER 97/98: NONE SEWER RENT 97/98: NONE

Continued on next page..

Not to be used for any purpose other than that for which it was prepared and without the express written consent of the Municipal Data Services, Inc. This report contains confidential information and is not to be distributed outside the organization to which it was prepared. Any unauthorized use or disclosure of this information may result in civil and criminal penalties. This report is prepared for the use of the client and is not to be used for any other purpose. The information contained herein is for informational purposes only and does not constitute an offer of any financial product or service. The information is not to be used for any purpose other than that for which it was prepared and without the express written consent of the Municipal Data Services, Inc.

9-10-1997 3:25PM FROM MOSSI 7188154380



NO PAYMENT SHALL BE MADE BY THE
PARTY WHOSE NAME IS ON THE BILL

Continued

TITLE NO. PT-256 REQ12857

The unpaid taxes, water rates, assessments and other amounts relating to taxes which are due at the date of
certificates are set forth below.

METERS 1174				
FROM 01/30/96 TO 04/30/96	\$875.56	ENTERED	05/03/96	
		PAID	04/11/97	
SEWER RENT	\$1392.14	ENTERED	05/03/96	
		PAID	04/11/97	

DISPOSITION

METER# 2374				
FROM 01/30/96 TO 04/30/96	\$382.10	ENTERED	05/03/96	
		PAID	04/01/97	
SEWER RENT	\$480.34	ENTERED	05/03/96	
		PAID	04/01/97	

METERS 3045				
FROM 06/17/81 TO 04/29/82	\$1.05	ENTERED	06/28/82	
		PAID	07/28/82	
SEWER RENT	\$0.35	ENTERED	06/28/82	
		PAID	07/28/82	

METER # 9285
FROM 04/29/82 TO 03/28/83 NO CONSUMPTION ENTERED 04/25/83

NOTE: LIEN SOLD 05/21/96 \$25.09

Trustee: J.E. Roberts of New York - (800) 783-8250

SUBJECT TO CONTINUATION PRIOR TO CLOSING
NOTHING ELSE FOUND 09/10/97

*ALL PAYMENTS SUBSEQUENT TO 05/31/97 ARE SUBJECT TO COLLECTION

Municipal Data Services, Inc. shall bear no liability for
erroneous or inaccurate information provided by the Department
Finance or D.E.P., including but not limited to errors due
loading, key entry, processing, data communication, hardware
software problems or the backdating of any information.

Responsibility limited to those items and amounts that are listed on or the date of this report and attached on the public records. No other payments (interest) may be collected.
The Service does not cover any part of the amount or which the property to be listed that was due to cover their charges and other charges due to billing period.
Accounts which are not being reviewed for those reasons are subject to change or correction without notice to avoid additional charges.
The conditions herein shown may be removed at the date of completion or upon death of the owner.
Please request the bill or document to be reviewed with suitable to the owner.

File #

Schedule 3.17
Licenses and Permits

CHESHIRE, CT - Certificate of Occupancy
BROOKLYN, NY

Certificate of Occupancy for 1094-1138 Linwood Street
Permits No. 81231 and No. 82754 issued by the Department of Environmental
Protection of New York City to Set Meter and Disconnect and Reset Meter
Certificates of Fitness No. 60818754, No. 60952397, No. 61872578, No. 60784774,
No. 61872651 and No. 61872669 issued by the Fire Department, City of New
York, Bureau of Fire Prevention
New York State Department of Health Report on Test and Maintenance of Backflow
Prevention Device with respect to Device No. 053304
New York State Department of Health Report on Test and Maintenance of Backflow
Prevention Device with respect to Device No. 039428
Certificates to Operate Process, Exhaust or Ventilation System with respect to
emission points 1 and 2 issued by the New York State Department of
Environmental Conservation

FORT PAYNE, AL

Occupational Business License No.005122 issued by the State of Alabama for the
License Year 1996-1997
License # 1997000704 issued to Sola Electric by the City of Fort Payne

Copies of all the above referenced permits have previously been provided to Emerson.

See Schedule 3.19 which lists the various environmental permits.

See attached lists of jurisdictions where General Signal Corporation, G S Building
Systems Corporation and Dual Lite Manufacturing, Inc. are incorporated and
qualified to do business.

See attached list of Canadian provinces and territories where General Signal Ltd. has
registered business names.

See Schedule 3.03.

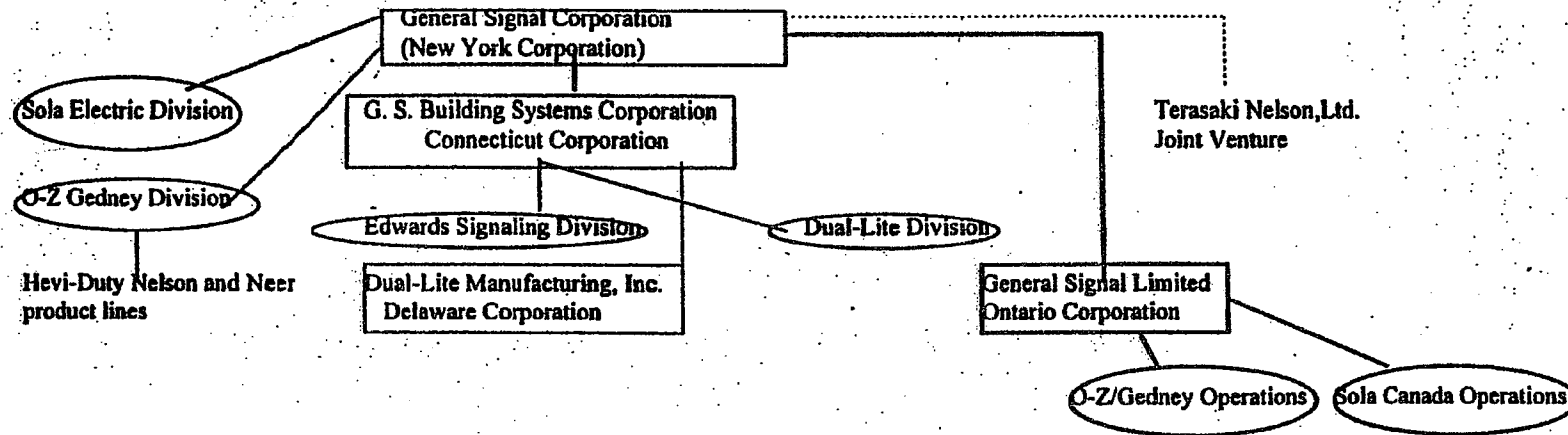
Schedule 3.18(a)

Affiliates

See attached chart setting forth the organizational structure of GSEG. All ownership interests are represented by common stock or its equivalent.

SCHEDULE 3.18

GENERAL SIGNAL ELECTRICAL GROUP



General Signal Electrical Group consists of:

- Sola Electric, division of General Signal Corporation
- O-Z Gedney, division of General Signal Corporation
- Hevi-Duty Nelson and Neer, product lines of O-Z Gedney
- Edwards Signaling, division of G. S. Building Systems Corporation
- Dual-Lite Division, division of G. S. Building Systems Corporation
- Dual-Lite Manufacturing, Inc., subsidiary of G. S. Building Systems Corporation
- O-Z/Gedney Operations, a division of General Signal Limited
- Sola Canada Operations, a division of General Signal Limited
- Terasaki Nelson Ltd., a Japanese joint venture corporation (50% ownership)

Schedule 3.18
Organizational Chart
GS Electrical Group

GS Electrical Group (GSEG) Corporate Headquarters- O-Z/Gedney
199 Scott Swamp Road
P.O. Box 4004
Farmington, CT 60657
Leased through 3/31/99

GS Electrical Group (GSEG) Corporate Headquarters- Dual-Lite, Edwards
Signaling, Sola Electric
90 Fieldstone Court
Cheshire, CT 06410
owned by GS Building Systems Corporation

Divisions of General Signal Corporation which are a part of GSEG
O-Z/Gedney division
acquired 1964

Sola Electric division
acquired 1977 from Sola Basic Industries

Manufacturing Plants

Terryville, CT
owned

Brooklyn, NY
leased

Shoemakersville, PA
owned

Pittson, PA
leased

Lake Geneva, WI
owned

Naguabo, PR
leased

Tulsa, OK
owned

East Granby, CT
leased

Lexington, OH
owned

Ft. Payne, AL
leased

Celina, TN
owned

La Grange, GA
leased

Warehouse/Distribution Centers

Burbank, CA
leased

Memphis, TN
leased

Bristol, CT
leased

La Grange, GA
leased

East Granby CT
leased (same location as factory)

Pittston, PA
leased (same location as factory)

Sparks, NV
leased

Foreign Affiliates

General Signal Ltd., a wholly owned Canadian subsidiary of General Signal Corporation
Terasaki Nelson Ltd., a Japanese joint venture corporation, 50% owned by General Signal Corporation, 50% owned by Terasaki Electric Company, Ltd.