

December 22, 2010

To Whom It May Concern:

Security Door Controls strives to produce the majority of our products in the USA; however, competition has forced us to look global to remain competitive. We strive to be socially responsible, therefore we have chosen manufacturing practices that maintain and comply with the Buy American Act.

Pursuant to the Buy American Act (41 U.S.C. § 10a – 10d) (the “Act”), the United States government, and certain third parties that utilize federal funds, must prefer goods manufactured in the United States in their purchases. The Act specifically requires federal agencies to buy only goods, mined, produced or manufactured in the U.S., except where an exemption applies. The Act contains a number of exemptions, including two in particular that apply to products produced by Security Door Controls (“SDC”).

First, the U.S. Trade Representative has waived the requirements of the Act for products purchased from certain countries, including those that are members of the World Trade Organization (“WTO”) and are also parties to the WTO Agreement on Government Procurement (“GPA”). Recently, Taiwan became a member of the WTO and a party to the GPA. As a result, products purchased by SDC from Taiwan are exempt from the requirements of the Act and may be purchased by the U.S. government, without penalty.

Second, Section 10a of the Act provides that the U.S. government may purchase foreign products where U.S.-made products are not available in sufficient quantity and/or where the U.S. equivalent is unreasonable in price. Executive Order 11051, issued on September 27, 1962, established that a U.S.-made product is unreasonable in price when it sells for more than six percent (6%) over the price for the equivalent foreign product. While some of SDC products are produced in foreign countries not approved for exemption by the U.S. Trade Representative, all of SDC products are competitively priced and, in most cases, offer a savings of more than seven percent (7%) over the equivalent U.S.-made product. Accordingly, it is our opinion, that, with respect to such products, the Act does not apply.

In spite of the price differential between SDC products and the equivalent U.S.-made product, SDC commercial grade products meet and/or exceed every ANSI definition of quality or requirement for performance standards. It is with total confidence that SDC offers these products as equal in quality at a competitive price.

The American Recovery and Reinvestment Act of 2009 (“Recovery Act”) contains a “Buy American” provision that requires the use of iron, steel and manufactured goods produced in the U.S. for all projects for the construction, alteration, maintenance or repair of a public building or public work using Recovery Act funds. Current guidance issued by the federal government indicates that if a particular construction project using Recovery Act funds exceeds \$7.443 million in value, then the Buy American Act exemption for members of the WTO and parties to the GPA will apply.

The foregoing exemptions apply to a majority of products sold by SDC. If you have questions about the applicability of the Act to specific products, please contact Shane Geringer, Vice President at 800.413.8783.

Exception: Model E1200, E600, & E300 Excel EMLocks