



July, 2010

To our valued Customers,

Over the course of the past several months PDQ has worked to increase our inventory to meet your needs. While many of our competitors are seeing extended lead times, PDQ is able to ship most orders in 3 to 5 days, with some as quickly as the next day. Our keying department has been expanded to enable us to provide fast and efficient keying of special orders. The addition of narrow stile exit devices and mullions has helped to round out our product offering. PDQ has been well positioned to weather the volatile economic market. For the past 3 years, we have addressed the need to supply Buy American product to our customers.

Recently, a number of companies have issued statements attesting to their compliance with the Buy American Act. We wish to clarify this for you.

Buy American as it stands today requires that more than 50% of the material which makes up the product must be from US sources.

Labor is not factored into this equation.

As part of the Buy American Act, a number of countries that have entered into trade agreements with the U.S. are also listed as "Designated Countries" and as such are considered to meet the Buy American Act.

Among this long list of Designate Countries are countries such as The Republic of South Korea, Mexico, Canada and Japan.

China is not a designated country and cannot meet this requirement.

More recently, Taiwan has been added to the list of designated countries and is part of the Trade Agreement's Act (TAA) and now can be used, however, many government contracts state that product from Taiwan will not be accepted.

- PDQ strictly adheres to the Buy American guidelines. PDQ Product that meets the Buy American Act include:
 - MR, XGT, GT, GP, SA and KT Deadbolts
- Product from Designated or TAA Countries include:
 - SD Series, 3100, 5100, 5300, 5500, 7100 (Republic of South Korea)
 - 4200, 6200 Series, CL, SV, SX, SR, SW (Taiwan)

As for ARRA, this gets a bit murkier. ARRA requires that manufacturers need to trace the material's origin back to the source. Most steel etc... is no longer made in the U.S however some latitude is given to alternate sourcing of the product if the job is over \$7, 443, 000 in value. Other factors including Commercial Over the Counter Sales or COTS, allows a company to waive the requirement of tracking the source of the material used provided that the end product is sold regularly over the counter in this fashion. This would again allow us to sell our MR, XGT, GT, GP, SA and KT products on ARRA jobs.

We urge you to use caution when supplying material to ARRA or BAA jobs. You can be assured that PDQ has done its homework regarding this and meets the requirements.

Respectfully yours,

Joel P. Fastow
VP Sales and Marketing

Premium Quality without the Premium Price

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