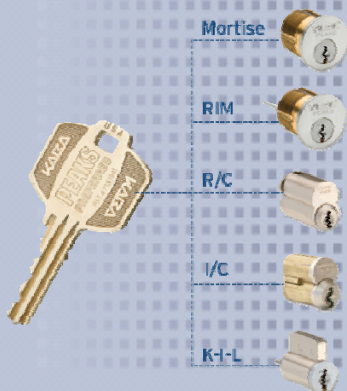


June 16, 2009

Project Name: Corporate Technical/Computer Facilities
Location: Various locations throughout the United States
Property Description: Office Complexes
Owner: Fortune 500 Company—Telecommunication Services Provider
Sales Representative: Bill Cusick of Claire Cusick Company
Dealer : Commercial Key Systems, Inc.-Lakewood Co.
Product Supplied: E-Plex E5700 Series with LearnLok™ and Kaba Peaks®



PEAKS[®]



Peaks Key System Leads to LearnLok™ E-Plex® Opportunity

The opportunity began when Commercial Key Systems (CKS) was contacted by a Telecommunication Services Provider in 2005 to bid on a new key control system for their local facilities. After providing recommendations from three current customers, CKS was one of several companies that were asked to provide a proposal (supply and install) for a new Patented Key Control System.

A proposal was given for a competitors system, per the specifications. An alternative proposal for Kaba Peaks® was also provided. The alternative proposal compared the features and benefits of each product. Hands down, Kaba Peaks® was the best value and provided more versatility than our competitors. No other distributor offered an alternative to the specified product. Commercial Key System's confidence in a better security solution persuaded this end-user to switch their thinking to Kaba Peaks.

Three years later the same corporate account asked for a security solution for 7,500 national locations. Commercial Key Systems again presented the Kaba Peaks® for their key control solution. Once the contract was awarded—weekly meetings were held between the owner, distributor and Kaba sales representative regarding logistics, objectives, structure and systems. The key control system was designed, and the implementation of the Peaks® key control system began throughout the country.

Throughout the key control process, CKS stressed that their expertise and ability did not end with cylinders and keys. They also have the same expertise and service for electronic access control. At the time, the owner's current stand-alone electronic lock product was being supplied by a competitor of CKS, and the end-user was not happy with their current service levels. As a result, CKS was asked to provide pricing for their existing lock product, which at that time was the end-user's standard. Due to previous success and a strong relationship with the end-user, CKS was given an opportunity to present alternative products. The customer's needs and applications were reviewed with Bill Cusick and Bob Carr (Western Regional Sales Manager), and it was agreed to present both the E5000 and E5700 series.

The company was going through an expansion stage that included acquisitions of additional regional offices around the country. As a result, the needs for the various locations were going to be different. At the same time, they required a solution that would meet their current needs, as well as their future needs, without buying new systems at a later date.

After the initial presentation, the end-user preferred the keypad programming of the E5000, but required a lock that can be used with their existing HID proximity cards without software. For some locations, they required PIN only since cards were not available or fully deployed. The security director was also concerned that the "learning curve" for programming the locks at each location would jeopardize their security.

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Summary:

1. Work with your partners like, CKS. Strong partners combined with our growing product offering and programs means success at the end-user level.
2. Make sales calls on end-users, there's no question that your competitors are! Your success will come from end-user relationships.
3. Controlling the key system with patented products such as Peaks® can provide additional opportunities for electronic locks when the owner has the confidence and trust of its key control provider. End-user trust combined with the provider's knowledge promotes alternative recommendations for security and access control improvements.
4. The end-user relies on you as their key control and access control expert. Use your expertise to influence buying decisions and solutions.

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They required the flexibility and ease of adding new users (HID Proximity and PIN) in a way that was similar to the competitor product that was currently in use. In addition, they anticipated the need for more sophisticated functionality and programming, i.e. software at a later date. Put simply—they wanted the best of both worlds without obsolete hardware costs as their security needs evolved. Knowing that Kaba was working on a HID proximity LearnLok™—Bob Carr was intuitive to mention this to both CKS and their customer with the knowledge that the E5700 with LearnLok™ functionality was the right product for them.

Bob worked with Mark Shellberg—the Product Manager, to ensure that our offering would meet the end-user requirements; 300 Users can be independently programmed as Card-only, PIN + Card, or PIN-only (Service Codes). Service Code max duration extended from 24-96 hours and includes PIN-only '99' anytime Super-User—once SW/Palm is used, all locks operate like current E5700 series, all door applications can be met with the E3700, E5700 and E5770 series.

Timing is everything! CKS received a call that the end-users existing hard-wired access control system has failed and they were ready to move forward with the E-Plex LearnLok™. The initial opportunity was for over 100 units to be in installed and operating at various locations throughout the United States within five months. The challenge was on! Since, the product was not formally released the end-user was skeptical that we could meet their timeline, but welcomed Kaba's solution due to relationships and past performance with CKS as well as knowing the E5700 LearnLok™ was the product they wanted.

Mark Shellberg had to coordinate engineering, marketing, purchasing and production to ensure that all components were completed and in place prior to product being shipped. All areas met their commitments to ensure that the orders were shipped complete and on time. CKS received the product in plenty of time for their team to install and complete the project on time. The installation and programming by CKS was done without any problems.

Due to the success of these initial installations, the E5700 LearnLok™ with a Peaks® key override has become the standard for this particular end-user. Bill Cusick anticipates an additional 2,000 units to be installed before the project is completed.