

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Asset Transfer Agreement
CONVEYING PARTY DATA	
Name	Execution Date
Schlage Lock Company	12/31/2003
RECEIVING PARTY DATA	
Name:	Schlage Lock Company LLC
Street Address:	2720 Tobey Drive
City:	Indianapolis
State/Country:	INDIANA
Postal Code:	46219
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	29426288
CORRESPONDENCE DATA	
Fax Number:	4142770656
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	414-271-6560
Email:	mkeipdocket@michaelbest.com
Correspondent Name:	Michael Best & Friedrich LLP
Address Line 1:	100 East Wisconsin Avenue
Address Line 2:	Suite 3300
Address Line 4:	Milwaukee, WISCONSIN 53202-4108
ATTORNEY DOCKET NUMBER:	084556-9097-US02 #8021
NAME OF SUBMITTER:	Jodi Anderson
Total Attachments: 4 source=12110381_Asset_Transfer_Agreement_(Schlage_Lock_Company_to_Schlage_Lock_Company_LLC)#page1.tif source=12110381_Asset_Transfer_Agreement_(Schlage_Lock_Company_to_Schlage_Lock_Company_LLC)#page2.tif source=12110381_Asset_Transfer_Agreement_(Schlage_Lock_Company_to_Schlage_Lock_Company_LLC)#page3.tif source=12110381_Asset_Transfer_Agreement_(Schlage_Lock_Company_to_Schlage_Lock_Company_LLC)#page4.tif	

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PATENT

ASSET TRANSFER AGREEMENT

THIS ASSET TRANSFER AGREEMENT (the "Agreement") is made as of the 31st day of December, 2003, by and between Schlage Lock Company, a California corporation ("Old Schlage"), and Schlage Lock Company LLC, a Delaware limited liability company ("New Schlage").

RECITALS

WHEREAS, Old Schlage holds 100% of the issued and outstanding capital stock of Von Duprin, Inc., an Indiana corporation ("Von Duprin"), which was recently administratively dissolved by the Indiana Secretary of State;

WHEREAS, Old Schlage holds 100% of the issued and outstanding capital stock of Dor-O-Matic Inc., an Illinois corporation ("Dor-O-Matic"), which is not good standing in the State of Illinois as of the date of this Agreement;

WHEREAS, Old Schlage desires to transfer to New Schlage, and New Schlage desires to accept from Old Schlage, (1) all of Old Schlage's assets and rights, except for (a) the shares of capital stock of Von Duprin held by Old Schlage, (b) the shares of capital stock of Dor-O-Matic held by Old Schlage, and (c) the other assets and rights listed on Schedule 1 hereto (collectively, the "Assets"), and (2) all of Old Schlage's liabilities (the "Liabilities");

WHEREAS, Old Schlage intends to take all necessary steps to reinstate Von Duprin and subsequently to convert Von Duprin into an Indiana limited liability company (the "Converted Entity");

WHEREAS, Old Schlage intends to take all necessary steps to bring Dor-O-Matic back into good standing and subsequently to merge Dor-O-Matic with and into a newly formed Illinois limited liability company (the "Merged Entity"); and

WHEREAS, following conversion of Von Duprin into the Converted Entity, and the merger of Dor-O-Matic with and into the Merged Entity, Old Schlage intends to transfer its membership interests in both the Converted Entity and the Merged Entity to New Schlage.

NOW, THEREFORE, in consideration of the premises set forth above and the respective covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Transfer of Assets and Liabilities.

(a) Old Schlage agrees to transfer, assign and convey to New Schlage, and New Schlage agrees to accept and assume from Old Schlage, all of Old Schlage's rights, title, interest and obligations in and with respect to the Assets and the Liabilities.

(b) Old Schlage further agrees to transfer, assign and convey to New Schlage all of its

membership interests in the Converted Entity (the "Converted Entity Interests") following the conversion of Von Duprin into the Converted Entity. If Old Schlage does not transfer the Converted Entity Interests to New Schlage within one year of the date of this Agreement (the "Anniversary Date"), Old Schlage agrees to pay an amount equal to \$ _____ to New Schlage in lieu of the Converted Entity Interests (the "Converted Entity Cash Equivalent") on the Anniversary Date.

(c) Old Schlage further agrees to transfer, assign and convey to New Schlage all of its membership interests in the Merged Entity (the "Merged Entity Interests") following the merger of Dor-O-Matic into the Merged Entity. If Old Schlage does not transfer the Merged Entity Interests to New Schlage by the Anniversary Date, Old Schlage agrees to pay an amount equal to \$ _____ to New Schlage in lieu of the Merged Entity Interests (the "Merged Entity Cash Equivalent") on the Anniversary Date.

2. New Schlage Consideration. In consideration for (a) the transfer, assignment and conveyance by Old Schlage to New Schlage of all of its rights, title, interest and obligations in and with respect to the Assets and the Liabilities, (b) Old Schlage's agreement to indemnify New Schlage in accordance with Section 3 below, (c) Old Schlage's promise to transfer the Converted Entity Interests to New Schlage or to pay the Converted Entity Cash Equivalent to New Schlage in lieu of its transfer of the Converted Entity Interests, and (d) Old Schlage's promise to transfer the Merged Entity Interests to New Schlage or to pay the Merged Entity Cash Equivalent to New Schlage in lieu of its transfer of the Merged Entity Interests, New Schlage hereby agrees to issue to Old Schlage 78,400 Class A Common Units of membership interest in New Schlage and 52,057,204 Class B Preferred Units of membership interest in New Schlage.

3. Indemnity. Old Schlage hereby agrees to indemnify and hold New Schlage harmless against any of the Liabilities that New Schlage is unable to satisfy as the Liabilities come due. In that regard, upon notice to Old Schlage by New Schlage of its inability to satisfy any of the Liabilities as the Liabilities come due, Old Schlage agrees to satisfy such Liabilities on New Schlage's behalf.

4. Accession to New Schlage's Operating Agreement. In connection with the issuance by New Schlage of the Units to Old Schlage, Old Schlage hereby agrees to execute an Accession Agreement to New Schlage's Operating Agreement dated as of December __, 2003, a copy of which is attached hereto as Exhibit A.

5. Further Acts. The parties hereto further undertake and promise to execute, deliver and file any and all agreements, instruments, documents and declarations, and to take any and all other acts necessary to effectuate and evidence any of the foregoing, including but not limited to any acts necessary in order to have the obligations with respect to the Assets and the Liabilities by and in New Schlage reflected in all official records of all relevant federal, state and local agencies.

6. Waiver of Compliance. Any failure by any party hereto to enforce at any time any term or condition under this Agreement shall not be considered a waiver of that party's right thereafter to enforce each and every term and condition of this Agreement.

7. Entire Agreement. This instrument contains the entire agreement and understanding of the parties hereto with respect to the subject matter herein and supersedes any other agreement or understanding, whether written or oral, relating to the matters contemplated herein.


8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same agreement.

9. Governing Law. This Agreement shall be governed by the laws of the State of Delaware without regard to the conflicts of law principles of such state.


[Signatures follow on the next page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first written above.

Schlage Lock Company

By: 
Name: Ronald G. Heller
Its: Secretary

Schlage Lock Company LLC

By: 
Name: Gerald E. Swimmer
Its: Vice President

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