



SCHEDULE D REELEX Annual Usage Fees

REVISION:
03/03/10

The LICENSEE shall pay to REELEX Annual Usage Fees for the year in which the agreement is executed and for each year thereafter during the term of the agreement. Each such year (hereinafter "License Year") will start on the first day of the calendar quarter nearest to the date of initial payment of Fixed Machine Usage Fee.

A. Fixed Machine Usage Fee

LICENSEE will pay REELEX an Annual Fixed Machine Usage Fee calculated with respect to each of LICENSEE's REELEX MACHINES at the following:

With respect to each First REELEX Machine delivered to the LICENSEE:

MACHINE MODEL	FIRST YEAR	SECOND YEAR	SUBSEQUENT YEARS
S-500	\$5,000	\$7,500	\$8,500
D-510	\$6,000	\$8,500	\$10,000
D-750	\$6,000	\$8,500	\$10,000
D-1000	\$7,500	\$10,000	\$12,000
D-1500	\$7,500	\$10,000	\$12,000
D-2000	\$12,000	\$15,000	\$18,000

B. Variable Systems Usage Fee

LICENSEE shall pay to REELEX an Annual Variable Systems Usage Fee, based on total net sales of REELEX Packages produced and used or sold by LICENSEE during the year, to the extent such fee is greater than the Annual Fixed Machine Usage Fee according to the following rate schedules.

The rate at which such Annual Variable Systems Usage Fee shall be calculated shall vary depending upon the sales price of wire and cable.

i. Lower Priced Wire and Cable

(Wire and cable sold at net prices of \$99.99 or less per 1,000 feet).

NET SALES - EACH LICENSE YEAR	GROSS PERCENTAGE
First Two (2) Million U.S. Dollars or any part thereof	6/10 of one percent
Next Three (3) Million U.S. Dollars or any part thereof	5/10 of one percent
In Excess of Five (5) Million U.S. Dollars	4/10 of one percent

ii. Higher Priced Wire and Cable

(For wire and cable sold at net prices of \$100.00 or more per 1,000 feet).

NET SALES - EACH LICENSE YEAR	GROSS PERCENTAGE
First Two (2) Million U.S. Dollars or any part thereof	3/10 of one percent
Next Three (3) Million U.S. Dollars or any part thereof	2.5/10 of one percent
In Excess of Five (5) Million U.S. Dollars	2/10 of one percent

Notes:

If, for any year, the Annual Variable System Usage Fee is less than the Fixed Machine Usage Fee, it will not be paid.

In determining Variable Usage Fee percentages, "total net sales" of both lower priced wire and cable and higher priced wire and cable will be separately determined.

The break point in price differential between Section I B(1) and B(2) will be adjusted based on the Cost of Living for December, 1987 as measured by the Bureau of Labor Statistics of the United States Department of Labor's "Consumer Price Index - Cities", hereinafter called the Index. The index number for New York, NY will be used. Such break point in price is subject to change at the start of each subsequent License year in proportion to changes in the Index. However, such changes will only be made when the aggregate change in the Index will cause a change in break point in price of \$50 per thousand feet or more from the most recent breakpoint. All such future changes will be made in \$50 per thousand feet increments. Appropriate adjustment shall be made in case published amendment to the Index figure upon which the compilation is based; and, if the Index shall be discontinued or shall no longer properly reflect the increase in the Cost of Living, the parties shall thereafter accept comparable statistics on the purchasing power of the consumer dollar as published by a responsible financial periodical to be agreed upon by the parties or, if they are unable to agree, the permissible increase in compensation shall be submitted to arbitration as provided in this agreement

DUE DATES FOR PAYMENT OF USAGE FEES

A. Annual Fixed Machine Usage Fee

i. For First REELEX Machine:

The initial annual payment is due on the first day of the third month following the date of delivery of such machine. Subsequent annual payments are due on the first day of each License Year

ii. Each other REELEX Machine:

The initial payment is due on the first day of the month following the date of delivery of such machines and will consist of 1/12 of the Annual Fixed Machine Usage Fee for each month remaining in the current License Year. The subsequent payments are due on the first day of the subsequent License Years.

B. Annual Variable Systems Usage Fee

Within thirty (30) days following the close of each quarter of each License Year, LICENSEE shall forward to REELEX a written report showing:

- a. Total net sales for such quarter identifying separately in reasonable detail the total net sales for such quarter of lower priced wire and cable and higher priced wire and cable (in the case of the initial report, all sales to the date of the report will be included).
- b. Total net sales for all prior quarters in the same License Year.
- c. Total gross earned Variable Systems Usage Fee for current year.
- d. Total Fixed Machine usage Fee paid for current License Year.
- e. Difference (c) minus (d).

If (1) (e) above is a positive figure payment of that amount will be due with the report.