

REF. PARA 21  
FOR LICENSE AGENT.  
6-14-76  
COMMENCEMENT

8/19/75  
Final  
Highlighted

AGREEMENT

AGREEMENT between STATITROL CORPORATION, (hereinafter referred to as "STATITROL"), a Colorado corporation having its principal office at 140 South Union Boulevard, Lakewood, Colorado, and TELEDYNE AQUA TEC, a division of TELEDYNE INDUSTRIES, INC., a California corporation, (hereinafter referred to as "TELEDYNE AQUA TEC"), having its principal office at 1730 East Prospect Street, Fort Collins, Colorado.

1. SPECIFICATIONS. STATITROL shall manufacture for TELEDYNE AQUA TEC and TELEDYNE AQUA TEC agrees to purchase from STATITROL a minimum of one hundred thousand (100,000) battery-powered ionization smoke detector modules (hereinafter referred to as "units") per contract year for domestic and export sales. For the purposes of this Agreement, "contract year" means a twelve-month period running from July 1st of one year through June 30th of the succeeding year. The specifications for the units are now identified as domestic unit STATITROL part number 108-0175, as more particularly described in Schedule "A" attached hereto and incorporated herein by this reference. Export unit specifications will be identical to those recited in Schedule "A", except for changes required by the various approval agencies necessary for the export market.

2. FORECASTING. TELEDYNE AQUA TEC agrees to provide STATITROL with continuing monthly forecasts of its anticipated requirements for each unit model at least three (3) months prior

to the required monthly delivery date. STATITROL agrees to extend reasonable efforts to meet delivery requirements of up to one hundred ten per cent (110%) of the shipping requirements forecast for any month. TELEDYNE AQUA TEC agrees to accept delivery of not less than ninety per cent (90%) of the number of units forecast for any month.

3. PRICE. STATITROL shall sell domestic units to TELEDYNE AQUA TEC at the price set forth in Schedule "B" attached hereto and incorporated herein by this reference. Export unit prices may be increased over the domestic price to meet the costs of changes, if any, necessary to meet requirements of the various approval agencies and countries in which sale and distribution is to be made. TELEDYNE AQUA TEC shall also pay all taxes, federal, state and local, which may be imposed upon the sale or manufacture of the units.

STATITROL may also increase the prices of the units at any time, upon 60 days' written notice to TELEDYNE AQUA TEC, provided that no such price increase shall be permitted until the aggregate cost of labor, component parts and materials has increased by at least seventy cents (\$.70) per unit since the date of the last price increase or since the date of this Agreement, whichever date is applicable. Price increases, when permitted hereunder, shall not be limited to the amount of the increased costs of labor, component parts and material; i.e., the amount of each such price increase shall be determined solely by STATITROL.

Likewise, TELEDYNE AQUA TEC shall receive the benefits, in the nature of price decreases, for cost reductions, calculated

similarly as cost increases, but also taking into consideration increased manufacturing efficiencies occasioned by volume production.

4. DELIVERY. The units shall be delivered at TELEDYNE AQUA TEC's expense to its facility in Fort Collins, Colorado, or to any other place TELEDYNE AQUA TEC may specify. STATITROL shall tender delivery by notifying TELEDYNE AQUA TEC by duplicate invoice as units are placed in shipment. Payment shall be made net cash within fifteen (15) days of the billing date, but payment of the invoice shall not constitute acceptance of units and shall be subject to adjustments for errors, shortages, defects in units or other failure of STATITROL to meet the requirements of this Agreement.

5. IDENTIFICATION OF UNITS. The units manufactured by STATITROL and sold to TELEDYNE AQUA TEC hereunder shall be identified in accordance with applicable federal statutes and regulations. TELEDYNE AQUA TEC may market such units under its name, advertising, technical literature and other sales promotion material which need not refer to STATITROL, provided, however, that STATITROL may attach, in an inconspicuous place on each unit, a plate or other device setting forth the information reasonably necessary to protect STATITROL's patents and to indicate approvals as required by applicable federal and foreign laws and regulations.

6. RISK OF LOSS. Risk of loss shall pass to TELEDYNE AQUA TEC as soon as the units are placed in transit. TELEDYNE AQUA TEC shall pay all costs of insurance from the time that risk of loss passes to it. STATITROL shall cooperate fully with TELEDYNE AQUA

TEC with respect to TELEDYNE AQUA TEC's obtaining insurance protection for the units.

7. DELAY. Neither STATITROL nor TELEDYNE AQUA TEC shall be responsible for any losses resulting if the fulfillment of any of the terms of this Agreement is delayed or prevented by civil disorders, wars, strikes, fires, floods, Acts of God, or by any other cause not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes hereinabove enumerated or not; provided, however, that this force majeure clause shall not operate to excuse payments of money due STATITROL from TELEDYNE AQUA TEC.

8. WARRANTIES. STATITROL warrants to TELEDYNE AQUA TEC that it will manufacture the units in conformity with the specifications recited in Schedule "A", and that the units will be free from defects in material, construction and workmanship. If proven to be defective in material, construction or workmanship within eighteen (18) months from the date of purchase by TELEDYNE AQUA TEC, the units will be repaired or replaced by STATITROL at STATITROL's option and expense.

The above warranty is given in lieu of all other warranties, either expressed or implied, including the warranty of fitness for a particular purpose, and neither TELEDYNE AQUA TEC nor STATITROL shall be liable to each other for any direct, incidental or consequential loss or damage arising out of the failure of the product to operate. This warranty is void where any unit has been abused, painted or repaired by anyone other than STATITROL, TELEDYNE AQUA TEC or their

authorized representatives. STATITROL agrees that the warranty herein shall run to TELEDYNE AQUA TEC's successors, assigns and customers, provided that in no event shall such warranty extend for any period longer than eighteen (18) months from the date of purchase of the unit by TELEDYNE AQUA TEC and provided further that TELEDYNE AQUA TEC shall be required to document that the unit is covered by this warranty to the reasonable satisfaction of STATITROL. Subsequent to said eighteen (18) month period, STATITROL agrees to repair or replace the units at TELEDYNE AQUA TEC's expense. All warranties shall survive inspection, tests, acceptance of and payment by TELEDYNE AQUA TEC.

Anything hereinabove contained to the contrary notwithstanding, STATITROL shall be responsible to provide appropriate remedies for warranty claims which may now or hereafter be required by the Magnuson-Moss Warranty -- Federal Trade Commission Improvement Act, Public Law 93-637, any amendment thereto, any rule or regulation promulgated by authority thereof or other applicable law, and in no event shall anything in this Agreement be deemed to limit the manufacturer's liability of STATITROL with respect to minimum warranty standards nor create any obligation on the part of TELEDYNE AQUA TEC to indemnify STATITROL from what would otherwise be STATITROL's warranty obligations under applicable law.

9. REPRESENTATIONS. STATITROL hereby represents that the units covered by this Agreement will be manufactured and sold in compliance with the requirements of federal price controls, if any, and to the extent applicable hereto, the Robinson-Patman Act, the Fair Labor Standards Act, and the National Fire Code, (N.F.P.A.

Standard 74, dated 1974).

10. INSPECTION. The parties hereto agree that the units shall be subject to inspection and test by TELEDYNE AQUA TEC to the extent practicable, including an inspection of the premises of STATITROL, or any of its subcontractors engaged in the manufacture of products or components of products, except in those areas as determined by STATITROL to be restricted proprietary areas or areas in which said access to TELEDYNE AQUA TEC could be harmful to STATITROL's proprietary or patent interests. Notwithstanding TELEDYNE AQUA TEC's right to inspect and test as provided herein, the parties agree that it is STATITROL's responsibility and obligation to inspect and test such units. STATITROL shall not be relieved of its obligation under law, or this Agreement, by reason of any failure on the part of TELEDYNE AQUA TEC to direct STATITROL's attention to any defect or defects. STATITROL agrees to provide, ~~without cost to TELEDYNE AQUA TEC,~~ consultation services in the design and/or acquisition of any inspection test equipment required by TELEDYNE AQUA TEC.

11. REPLACEMENT. All units which have been returned to TELEDYNE AQUA TEC due to defective materials, operation or otherwise shall be shipped by TELEDYNE AQUA TEC prepaid via the most economical route to STATITROL, 140 South Union Boulevard, Lakewood, Colorado 80228. As required by the terms of this Agreement set forth hereinabove, STATITROL shall replace, or repair and return, such units, shipment prepaid to TELEDYNE AQUA TEC.

12. SUBCONTRACTORS. The parties hereto recognize that certain component parts of units are to be manufactured by subcontractors. STATITROL agrees not to subcontract for complete or

substantially complete units called for under this Agreement without prior written consent of TELEDYNE AQUA TEC. STATITROL shall be fully responsible for the acts and/or omissions of its subcontractor or subcontractors, of persons employed by such subcontractor or subcontractors, or of other contractors engaged by such subcontractor or subcontractors for the purpose of manufacturing such component parts.

13. CONFIDENTIAL INFORMATION. The parties agree that, except as required by Schedule "A" attached hereto, with respect to which TELEDYNE AQUA TEC agrees not to disclose any confidential information to any third parties not subject to this Agreement, STATITROL shall not be required to disclose to TELEDYNE AQUA TEC any drawings, plans, specifications, etc., which contain proprietary or confidential information, know-how, discoveries, production methods and the like, herein referred to as "confidential information." However, the term "confidential information" as used herein shall not include information which is generally published or lawfully available to TELEDYNE AQUA TEC from other public sources, or which was known to TELEDYNE AQUA TEC prior to disclosure thereof to TELEDYNE AQUA TEC by STATITROL or on STATITROL's behalf, or that information deemed necessary to properly sell, use and service the units as is available to others, and as the parties have expressly confirmed in writing prior to the use thereof, in selling, using and servicing the said units.

All confidential information regarding marketing data created or assembled by TELEDYNE AQUA TEC shall belong to TELEDYNE AQUA TEC, and the parties acknowledge its valuable property right

therein.

14. RELATIONSHIP. The relationship between STATITROL and TELEDYNE AQUA TEC is that of vendor and vendee. Although it is contemplated that the units will be sold to the general public by TELEDYNE AQUA TEC Distributor/Dealers, it is understood that no authority is given to TELEDYNE AQUA TEC to authorize others to represent themselves as STATITROL's Distributors or Dealers or otherwise have any relationship to STATITROL, and that TELEDYNE AQUA TEC is not an agent of STATITROL for any purpose whatsoever.

The vendor-vendee relationship hereby created shall be non-exclusive, but STATITROL agrees it shall not enter into any similar vendor-vendee agreements or relationships with any other manufacturers or distributors whose existing or intended marketing and sales efforts are designed to sell the units to retail establishments in the same or similar manner as being utilized by TELEDYNE AQUA TEC.

15. TESTING AND U.L. APPROVAL. The parties agree to mutually cooperate and make a good faith effort to obtain Underwriters' Laboratories listing on all units. STATITROL shall provide the basic circuit engineering and unit testing facilities. Likewise, the parties hereby agree to cooperate in obtaining cross-listing with Underwriters' Laboratories.

STATITROL shall provide engineering, test facilities and will work with TELEDYNE AQUA TEC on international units and the associated agency approvals. STATITROL agrees to provide TELEDYNE AQUA TEC with competitor performance analysis reports on all competitive devices similar to the units sold hereunder and which devices are



furnished STATITROL by TELEDYNE AQUA TEC and, furthermore, STATITROL agrees to provide TELEDYNE AQUA TEC with competitor performance analysis reports on all devices similar to the units sold hereunder which STATITROL independently analyzes.

16. PATENT INFRINGEMENT. STATITROL warrants that it has patent rights for the units involved in Patent Nos. 3,778,800 and 3,899,732. STATITROL further agrees to indemnify TELEDYNE AQUA TEC and hold it harmless from and against all liability, loss, damage and expense, including reasonable counsel fees, resulting from any actual or claimed patent or copyright infringement or any litigation based thereon, with respect to said units covered by this Agreement or their use, and such obligation shall survive acceptance of the goods and payment therefor by TELEDYNE AQUA TEC.

TELEDYNE AQUA TEC shall apply for and own all patents related to its work on the outer case or shell for the units and agrees to indemnify STATITROL and hold it harmless from and against all liability, loss, damage and expense, including reasonable counsel fees, resulting from any actual or claimed patent or copyright infringement or any litigation based thereon.

17. TERM OF AGREEMENT. This Agreement shall become effective on August 15, 1975, or upon the date of receipt of U.L. listing, whichever later occurs, and shall continue thereafter for a primary term of four (4) contract years, commencing July 1, 1976. This Agreement shall be automatically renewed for continuing and consecutive periods of one (1) year commencing on the termination of the primary term unless either party shall serve notice in writing to the other party at least one hundred eighty (180)

days prior to said termination date or any anniversary date thereof that the Agreement shall not be renewed. Termination in this manner shall be without penalty or further obligation to either party hereto.

18. TERMINATION. This Agreement may be terminated at a time other than the regular expiration hereof recited in paragraph 17 hereof only in the following manner:

(a) Test Market Period. TELEDYNE AQUA TEC may terminate this Agreement at any time during the test market period, which period shall expire on June 30, 1976, by serving sixty (60) days' written notice to that effect upon STATITROL. TELEDYNE AQUA TEC agrees to pay STATITROL for a minimum of ten thousand (10,000) units or for forecast units to that date, whichever is more. If TELEDYNE AQUA TEC should terminate this Agreement during the test market period, it shall deliver all market information developed during the test market period to STATITROL, the provisions of paragraph 13 to the contrary notwithstanding.

(b) Price Increase. In the event STATITROL shall elect to increase the price of the units as permitted under paragraph 3 hereof, TELEDYNE AQUA TEC shall have the option to terminate this Agreement by providing written notice to STATITROL of such intent within thirty (30) days after receipt of the price increase notice.

(c) With Cause. Either party may terminate this Agreement at any time by serving upon the other party sixty (60) days' written notice of that effect, should such other party fail to strictly comply with any of the terms and conditions of this

Agreement, provided, however, such termination shall not be effective if the defaulting party cures such default or omission within a reasonable time after receipt of said notice, such time not to exceed sixty (60) days.

(d) Insolvency. In the event either party becomes a named party, voluntarily or involuntarily, to a proceeding in bankruptcy, insolvency or by appointment of a receiver or trustee, or an assignment for the benefit of creditors, either party may terminate this Agreement by written notice to the other party and such termination shall become effective forthwith.

(e) Cancellation of Approval. TELEDYNE AQUA TEC may terminate this Agreement upon written notice to become effective forthwith should the Atomic Energy Commission or Underwriters' Laboratories or other required U.S. testing agency cancel its approval of the units.

19. PROCEDURE UPON TERMINATION. Upon termination of this Agreement as provided in paragraph 18, the parties agree as follows:

(a) If TELEDYNE AQUA TEC shall elect to terminate this Agreement for the causes stated in subparagraphs (a) or (b) of paragraph 18, said termination shall be without penalty or further obligation to either of the parties to this Agreement. TELEDYNE AQUA TEC shall thereupon have the option of either purchasing existing inventories of units from STATITROL under the terms and conditions of this Agreement and at prices prevailing at the time notice of termination is given, or returning unopened inventory for seventy-five per cent (75%) credit less any allowance

previously received by TELEDYNE AQUA TEC on such inventory.

(b) Termination for any other cause stated in this Agreement shall be without prejudice to the party not in default to proceed in an action at law or in equity for appropriate remedies to compensate it for any loss sustained by virtue of a default in performance by the other party.

20. WAIVER. Failure of either party to insist upon strict performance of any of the terms and conditions of this Agreement, or to exercise any right to privilege contained in this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms, conditions, rights or privileges, and the same shall continue to remain in force and effect as if no waiver had occurred. All rights and remedies reserved under the terms and conditions hereof shall be cumulative and in addition to any further rights and remedies provided in law or equity.

21. OPTION FOR MANUFACTURING LICENSE. If, during the term of this Agreement, STATITROL is unable to supply for any sixty (60) day period of time, the quantity and quality of units forecasted by TELEDYNE AQUA TEC pursuant to the terms hereunder, TELEDYNE AQUA TEC shall have an exclusive and irrevocable option to convert this agreement from a vendor-vendee sales agreement to an exclusive right to manufacture the units, in which event:

(a) TELEDYNE AQUA TEC shall first give STATITROL, within thirty (30) days after such sixty (60) day period of time, written notice of its intent to exercise this option.

(b) STATITROL shall grant to TELEDYNE AQUA TEC the

exclusive, nontransferable right and license to manufacture, use, market, sell and otherwise to commercialize the units and their improvements throughout the world. Such license includes the right to grant sublicenses upon terms consistent with this Agreement. The exclusive right and license herein granted shall apply to all inventions, improvements, patent applications or letters patent which STATITROL now owns or controls or hereafter shall own or control relating specifically to the units. This exclusive license to manufacture shall not, however, preclude STATITROL from continuing to manufacture units or from having units manufactured for itself for uses permitted in paragraph 14 above, but shall only prevent the granting of a license, sublicense or subcontract for the manufacture of the units for purposes inconsistent with paragraph 14 above.

(c) STATITROL shall furnish to TELEDYNE AQUA TEC all technical information and documents relating to the units which are necessary to enable TELEDYNE AQUA TEC to conduct operations and manufacturing processes under the terms of this Agreement.

(d) All letters patent issued on the units and any improvements thereon shall be the exclusive property of STATITROL subject to the license hereby granted. TELEDYNE AQUA TEC shall promptly prepare, file and prosecute in the name of STATITROL, but at TELEDYNE AQUA TEC's expense, applications for letters patent of the United States for all improvements hereafter made upon the units by TELEDYNE AQUA TEC or its sublicensees.

STATITROL shall, without further consideration, at the request of TELEDYNE AQUA TEC, do all acts necessary for obtaining, sustaining, reissuing or extending any letters patent, and shall

give testimony and otherwise provide evidence in cases of interference.

(e) The term of this license shall continue from the date TELEDYNE AQUA TEC shall elect to exercise its option herein granted until the letters patent granted STATITROL for the units shall expire.

(f) TELEDYNE AQUA TEC shall pay to STATITROL as royalty and in full consideration for all benefits afforded under this license an amount equal to five per cent (5%) of TELEDYNE AQUA TEC's net invoice price for the units it manufactures, exclusive of sales tax, transportation charges and trade discounts, upon all sales during each contract year of the term of this license; provided, however, in no event shall royalty payments during any contract year of this license be less than \$130,000.00.

(g) TELEDYNE AQUA TEC shall at all times keep an accurate account of all sales and operations under the scope of this license, shall render written statements thereof to STATITROL within thirty (30) days after each quarter annual period for each license year during the life of this Agreement, and shall pay to STATITROL with each of said statements the amount of all royalties earned during the corresponding quarter annual period. STATITROL shall have the right, at its own expense and not more often than once in each quarter annual period, to have the books of TELEDYNE AQUA TEC examined for the purpose of verifying such royalty statements. In all sublicensing agreements, TELEDYNE AQUA TEC shall procure for STATITROL a similar right to

have the books of the sublicensees examined for the purpose of verifying royalty statements.

(h) TELEDYNE AQUA TEC shall in good faith and with diligence conduct all manufacturing, marketing and other operations in accordance with the best business customs of its industry. Upon termination of this license for any cause, TELEDYNE AQUA TEC shall duly account to STATITROL and shall transfer all rights which it may possess in sublicensees, letters patent, inventions, trade names and trademarks relating to the units.

(i) In the event TELEDYNE AQUA TEC shall elect to exercise the option herein granted, all provisions of this Agreement inconsistent with the covenants contained in this paragraph shall be of no further force and effect.

22. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of Colorado, including the terms of the Uniform Commercial Code as the same has been adopted by the State of Colorado, and further, the parties hereto agree that any question as to the meaning, interpretation, application or existence of this Agreement shall be determined by any Colorado Court having jurisdiction over the same, or the United States District Court for the District of Colorado having jurisdiction over the same.

23. ASSIGNMENT. This Agreement contains the entire understanding of the parties and shall supersede any other oral or written agreements. This Agreement shall inure to the benefit of the successors and assigns of TELEDYNE AQUA TEC. It may not be modified in

any way without written consent of both parties. Neither party shall have the right to assign this Agreement in whole or in part without the other party's written consent, except where specific provisions are herein made for subcontracting and sublicensing. STATITROL agrees that it will not unreasonably withhold its consent in the event TELEDYNE AQUA TEC desires to assign its interest herein to other divisions or wholly-owned subsidiaries of Teledyne, Inc., a Delaware corporation.

24. NOTICE. Any notice required or permitted under this Agreement shall be given by registered or certified mail at the below address, but such address may be changed by written notice given by one party to the other. Notice shall be deemed received three (30) days after deposit in the mail, postage prepaid, unless earlier received.

If notice is to STATITROL, address to:

T. A. Bellinghausen, Vice President/Marketing  
STATITROL CORPORATION  
140 South Union Boulevard  
Lakewood, Colorado 80228

If notice is to TELEDYNE AQUA TEC, address to:

A. E. Rouse, President  
TELEDYNE AQUA TEC  
1730 East Prospect Street  
Fort Collins, Colorado 80521

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives the day and year hereinafter written.



DATED this \_\_\_\_\_ day of \_\_\_\_\_, 1975.

STATITROL CORPORATION

By \_\_\_\_\_  
Vice President

Attest:

\_\_\_\_\_  
Secretary

TELEDYNE AQUA TEC, a Division of  
TELEDYNE INDUSTRIES, INC.

By \_\_\_\_\_

## SCHEDULE "A"

### ENGINEERING SPECIFICATIONS TELEDYNE AQUA TEC DETECTOR MODULE

#### Electrical & Performance Specifications for Domestic Modules:

1. The detector module will be powered by six "AA" size alkaline batteries such as Eveready type E91, or Mallory MN1500. The batteries must meet the specifications of either Eveready or Mallory, respectively. The battery life shall be one year minimum.
2. The detector module will have at least one week of battery failure signal. The sensitivity of the detector will not change appreciably during the battery failure signal. Weak battery signal will be a periodic click of the horn.
3. The detector module will have a built-in horn with a sound level of 85 dbA at ten feet.
4. The detector module will have a built-in L.E.D. that flashes every 5 to 10 seconds to indicate "power on", and that the batteries are capable of supplying power for an alarm condition. (Note: This L.E.D. does NOT indicate sensitivity.)
5. The detector module will have no sensitivity adjustment. Sensitivity will be factory set within the limits necessary to pass Underwriters' Laboratories, Inc. Test Standards. The sensitivity setting is measured as 0.2% to 4.0% per foot light obscuration, and is such that the detector will respond in less than two minutes to the following test fire conditions:
  - a. Paper fire - 1/2 pound of shredded newsprint 21 feet from the detector.
  - b. Plastic fire - 2 ounces of polystyrene packing material 21 feet from the detector.
6. The detector module will be U. L. listed as a recognized component for a single-station device.
7. The detector module will NOT "lock" into alarm.
8. Temperature limits shall be 32°F to 100°F.
9. Humidity limit shall be 85% RH at 85°F.
10. Field failure rate shall apply only to those units which are manufactured with defects or contain defective materials.

SCHEDULE "B"

PRICE  
TELEDYNE AQUA TEC DETECTOR MODULE

Module Price -- (F.O.B. Lakewood)

\$14.00

CONFIDENTIAL

February 1, 1977

TO: Duane Pearsall  
FROM: Art Mooney  
SUBJECT: Teledyne Water Pik Royalty Payment.

Enclosed herewith please find a copy of Teledyne Water Pik check #149148 (together with a "Royalty Report") in the amount of \$69,068.26, alleging to represent the amounts due Statitrol for the calendar quarter ending 12/31/76.

While I welcome the cash flow, I am a little disappointed by the lack of details provided in this latest "Royalty Report" vs. the information provided to us in the report for the period ending 9/30/76 (also attached), i.e. "Units Sold" and "Average Price per Unit" in the subject quarter.

Note well that their approach this time has been to roll forward and accumulate the dollars of sales for the six month (plus) period from 6/14/76 thru 12/31/76 and pay us the balance between that calculation and their previous 9/30/76 calculation. No information with respect to unit sales or average price per unit is contained in this report - for either the quarter ended 12/31/76 or the six months (plus) from 6/14/76 to 12/31/76.

I have reviewed Article 21 of our agreement with Teledyne Water Pik - in particular sub paragraphs (f) and (g) - but can find no specific requirement that they furnish this "units sold" and "average price/unit" data in their report, except by inference.

Do you or Tom wish to pursue the missing data further? If so, will you or Tom take it from here or would you rather have Al or myself work it with our contacts. Perhaps you could explore it with Gene Rouse at the same time you, explore/pursue acceptance of the R-8 and R-14 Test Equipment? (Reference Al's memo to you of 1/27/77).

Please advise - in the meantime I will cash their check, and presume all is well and accurate.

Art Mooney

pc

Attachments.

AAM

TELETYPE  
UNIT

A.E. HUPPERT, Executive Vice President

TELEDYNE WATER PIK

1730 EAST PROSPECT STREET

FORT COLLINS, COLORADO 80521

(303) 484-1352

January 26, 1977

Mr. A. J. Mooney, Jr.  
Statitrol Corporation  
140 South Union Blvd.  
Lakewood, CO 80228

Dear Art:

Enclosed herewith is our royalty report for the period ending December 31, 1976 per our agreement dated March 1, 1976. The enclosed check in the amount of \$69,068.26 covers royalties for the fourth quarter of 1976.

Very truly yours,



AEH/bbs

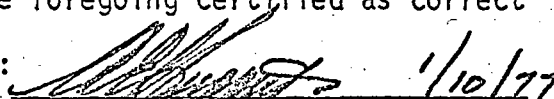
Enc.

Teledyne Water Pik Royalty Report  
Fiscal Quarter Ending December 31, 1976  
"Agreement Between Statitrol Corporation And  
Teledyne Water Pik, Dated March 1, 1976"

Sales Dollars Subject to Royalties Thru December 31, 1976	\$1,961,758.99
Royalty Rate	5%
Total Royalties Due Thru December 31, 1976	\$98,087.95
Royalties Previously Paid - Report Dated October 27, 1976	<u>\$29,019.69</u>
Royalties Due With This Report	<u><u>\$69,068.26</u></u>

The foregoing certified as correct

by:

 1/10/77  
A. E. Huppert  
Executive Vice President

196701 Statitrol

1491

DATE	DESCRIPTION	AMOUNT	DISCOUNT	REMITTANC
01/26/77	Royalties Due for Peroid Ending December 31, 1976	69,068.26	Net	69,068.2

TELEDYNE WATER PIK • 1730 E. PROSPECT ST. • FT. COLLINS, COLORADO 80521

 **TELEDYNE WATER PIK**  
 1730 E. PROSPECT ST. • FT. COLLINS, COLORADO 80521

WILSHIRE 15TH BRANCH  
 1430 WILSHIRE BLVD. SANTA MONICA, CALIF.  
 BANK OF AMERICA  
 NATIONAL TRUST AND SAVINGS ASSOCIATION

90-1512  
 1222 1491

January 26, 1977

PAY TELEDYNE AQUA TECH 69068.26 DOLLARS

\$\$\$69,068.26

TO THE ORDER OF

Statitrol  
 140 S. Union Blvd.  
 Lakewood, CO 80228

*Thomas J. Daniels*  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_

⑈ 149148 ⑆ 1222 ⑆ 1512104414 ⑆ 90021 ⑆

INTEROFFICE MEMORANDUM

October 12, 1976

TO: Tom Bellinghausen  
FROM: Art Mooney  
SUBJECT: Water Pik Royalties

Confirming information phoned to me this date by Arnie Huppert, we will accrue in the financial statements for September 30, 1976, \$28,000 (18,500 units) of Licensing Income.

Arnie advises that this is a preliminary estimate subject to revision (and payment) later this month.

Art Mooney

pc

cc: Al Mayer  
DDP  
J. Hambric



140330

196701

Statitrol

DATE	DESCRIPTION	AMOUNT	DISCOUNT	REMITTANCE
3/01/76	Royalty payment for quarter ending October 1, 1976 per agreement dated 3-1-76.	29,019.69	Net	29,019.69

TELEDYNE WATER PIK • 1730 E. PROSPECT ST. • FT. COLLINS, COLORADO 80521

 **TELEDYNE WATER PIK**  
1730 E. PROSPECT ST. • FT. COLLINS, COLORADO 80521

WILSHIRE 13TH BRANCH  
1430 WILSHIRE BLVD. SANTA MONICA, CALIF.  
BANK OF AMERICA  
NATIONAL TRUST AND SAVINGS ASSOCIATION

90-1512 140330  
1222

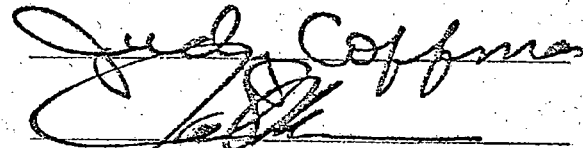
October 27, 1976

PAY TELEDYNE PHOTO AND COCTS

\$\$\$29,019.69

TO THE ORDER OF

Statitrol Corporation  
140 So. Union Blvd.  
Lakewood, CO 80228



⑈ 140330 ⑈ ⑆ 1222 ⑆ 1512 ⑆ 04414 ⑆ 90021 ⑈

Teledyne Water Pik Royalty Report  
 Fiscal Quarter Ending October 1, 1976  
 "Agreement Between Statitrol Corporation  
 And Teledyne Water Pik, Dated March 1, 1976"

Smoke Alarm Inventory as of June 11, 1976	49,686 Units
Less Sales: June 14 thru July 30	17,870
July 31 " August 27	20,162
August 28 " October 1	<u>30,142</u>
	68,174
Sales in Excess of Inventory Subject to Royalty	<u>68,174</u>
Sales in Excess of Inventory Subject to Royalty	18,488 Units
Average Unit Selling Price (September) \$31.393 x 18,488 =	\$580,393.78
Sales Dollars Subject to Royalties	\$580,393.78
Royalty Rate	5%
Royalty Due	<u>\$29,019.69</u>

The foregoing certified as correct

By: *A. E. Newport* 10/27/76  
 A. E. Newport  
 Executive Vice President

A. E. HUPPERT, Executive Vice President

TELEDYNE WATER PIK

1730 EAST PROSPECT STREET

FORT COLLINS, COLORADO 80521

(303) 484-1352

October 27, 1976

Mr. A. J. Mooney, Jr.  
Statitrol Corporation  
140 South Union Blvd.  
Lakewood, CO 80228

Dear Art:

Enclosed herewith is our first royalty report per our Agreement dated March 1, 1976. This report, and the enclosed check in the amount of \$29,019.69, covers units sold, during the month of September, in excess of the "initial inventory" agreed upon at our meeting of August 19, 1976.

Very truly yours,



AEH/bbs

Enc.