

C O P Y

5/6/37

THIS AGREEMENT made this 8th day of May, 1937,  
by and between SALSBURY CORPORATION, a corporation organized  
and existing under the laws of the State of California  
(hereinafter for convenience referred to as "Licensor")  
party of the first part, and NICHOLAS DEMOS, of Kenosha,  
Wisconsin (hereinafter for convenience referred to as  
"Licensee"), party of the second part,

W I T N E S S E T H :

WHEREAS, the Licensor now and for some time past  
has been manufacturing or producing, and selling in Cali-  
fornia and other parts of the United States, a two-wheel  
gasoline powered, motorized mechanism known as "Motor Glide"  
or "Salsbury Motor Glide"; and

WHEREAS, the Licensor has spent considerable money  
in experimentation, engineering, advertising, developing  
and popularizing said mechanism and the trade name and  
the good will thereof; and

WHEREAS, the Licensor owns the inventions (upon  
some of which Letters Patent have been issued or applied for),  
owns the results arising from the engineering, experimenting,  
advertising, popularizing and establishment of a good will  
and the trade name for said mechanism and the business of  
manufacturing and selling the same, and all of said rights  
and all property of the Licensor in and to said mechanism  
and the business of manufacturing or producing and selling  
the same taken together will hereinafter be referred to as  
"Salsbury rights"; and

by and between SALSBURY CORPORATION, a corporation organized and existing under the laws of the State of California (hereinafter for convenience referred to as "Licensor") party of the first part, and NICHOLAS DEMOS, of Kenosha, Wisconsin (hereinafter for convenience referred to as "Licensee"), party of the second part,

W I T N E S S E T H :

WHEREAS, the Licensor now and for some time past has been manufacturing or producing, and selling in California and other parts of the United States, a two-wheel gasoline powered, motorized mechanism known as "Motor Glide" or "Salsbury Motor Glide"; and

WHEREAS, the Licensor has spent considerable money in experimentation, engineering, advertising, developing and popularizing said mechanism and the trade name and the good will thereof; and

WHEREAS, the Licensor owns the inventions (upon some of which Letters Patent have been issued or applied for), owns the results arising from the engineering, experimenting, advertising, popularizing and establishment of a good will and the trade name for said mechanism and the business of manufacturing and selling the same, and all of said rights and all property of the Licensor in and to said mechanism and the business of manufacturing or producing and selling the same taken together will hereinafter be referred to as "Salsbury rights"; and

WHEREAS, the Licensee desires to acquire from the Licensor the right to manufacture or produce said Motor Glide under and in accordance with said Salsbury rights, and to sell the same in such portion of the United States as will be

hereinafter specifically defined and called for convenience "Eastern territory," all for the period of time and upon the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) by each of the parties to the other in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements to be mutually kept and performed by the parties hereto, it is hereby covenanted and agreed by and between the parties hereto as follows:

(1) The territory within which the Licensee shall be authorized under the terms of this contract to sell "Motor Glides" or "Salsbury Motor Glides" will be referred to herein as "Eastern territory" and shall consist of the following thirty-six States:

North Dakota	Wisconsin
South Dakota	Michigan
Nebraska	Illinois
Kansas	Indiana
Oklahoma	Ohio
Arkansas	Virginia
Louisiana	West Virginia
Mississippi	Pennsylvania
Alabama	Maryland
Georgia	Delaware
Florida	New Jersey
North Carolina	New York
South Carolina	Maine
Tennessee	New Hampshire
Kentucky	Vermont
Missouri	Massachusetts
Iowa	Rhode Island
Minnesota.	Connecticut.

The remaining twelve States of the United States and all the balance of the world are reserved to the Licensor as its field of operation. The parties hereto agree faithfully to

terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) by each of the parties to the other in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements to be mutually kept and performed by the parties hereto, it is hereby covenanted and agreed by and between the parties hereto as follows:

(1) The territory within which the Licensee shall be authorized under the terms of this contract to sell "Motor Glides" or "Salsbury Motor Glides" will be referred to herein as "Eastern territory" and shall consist of the following thirty-six States:

North Dakota	Wisconsin
South Dakota	Michigan
Nebraska	Illinois
Kansas	Indiana
Oklahoma	Ohio
Arkansas	Virginia
Louisiana	West Virginia
Mississippi	Pennsylvania
Alabama	Maryland
Georgia	Delaware
Florida	New Jersey
North Carolina	New York
South Carolina	Maine
Tennessee	New Hampshire
Kentucky	Vermont
Missouri	Massachusetts
Iowa	Rhode Island
Minnesota.	Connecticut.

The remaining twelve States of the United States and all the balance of the world are reserved to the Licensor as its field of operation. The parties hereto agree faithfully to observe each other's territory, and each of said parties specifically agrees that it will not sell its Motor Glides into the territory reserved to the other party, and each party agrees that, to the best of its ability, it will pro-

hibit distributors and dealers in its own territory from reselling Motor Glides so as to encroach upon the territory reserved or set aside hereunder to the other party.

The term of this agreement shall be for a period of five (5) years, commencing on the date first above written. It shall be renewable for a second term of five (5) years, provided the Licensee shall give to the Licensor written notice of his desire to renew the same at least six (6) months prior to the termination of said first five-year period.

(2) The Licensor hereby grants to the Licensee the right and license under "Salsbury rights" to manufacture or produce said two-wheel motorized mechanism and to sell the same in "Eastern territory", but not elsewhere. Said mechanism shall at all times be manufactured or produced in accordance with specifications now furnished by the Licensor to the Licensee or, in the event of change, then in accordance with such modifications of such specifications as may from time to time hereafter be supplied by the Licensor to the Licensee. The Licensee shall call said mechanism so the Licensee. The Licensee shall call said mechanism so manufactured or produced by it by the trade name "Motor Glide" or "Salsbury Motor Glide" as may be directed by the Licensor, or if at any time the Licensor shall select another or different trade name for said mechanism and notify the Licensee of such selection of a different trade name, then the Licensee shall call said mechanism by such trade name so selected by the Licensor. In general, and at all times, the

reserved or set aside hereunder to the other party.

The term of this agreement shall be for a period of five (5) years, commencing on the date first above written. It shall be renewable for a second term of five (5) years, provided the Licensee shall give to the Licensor written notice of his desire to renew the same at least six (6) months prior to the termination of said first five-year period.

(2) The Licensor hereby grants to the Licensee the right and license under "Salsbury rights" to manufacture or produce said two-wheel motorized mechanism and to sell the same in "Eastern territory", but not elsewhere. Said mechanism shall at all times be manufactured or produced in accordance with specifications now furnished by the Licensor to the Licensee or, in the event of change, then in accordance with such modifications of such specifications as may from time to time hereafter be supplied by the Licensor to the Licensee. The Licensee shall call said mechanism so the Licensee. The Licensee shall call said mechanism so manufactured or produced by it by the trade name "Motor Glide" or "Salsbury Motor Glide" as may be directed by the Licensor, or if at any time the Licensor shall select another or different trade name for said mechanism and notify the Licensee of such selection of a different trade name, then the Licensee shall call said mechanism by such trade name so selected by the Licensor. In general, and at all times, the Licensee shall market said mechanism under such trade name therefor as shall be selected and indicated by the Licensor, and the Licensee shall cooperate and use his best endeavor to build up and popularize the trade name so designated by

the Licensor for said mechanism.

For each and every mechanism manufactured or produced, and sold by the Licensee, the Licensee shall pay to the Licensor the sum of Five Dollars (\$5.00, payable on the 10th day of each month for all mechanisms sold during the next preceding calendar month. As a condition for retaining the license herein granted, the Licensee agrees to pay as a minimum royalty or license fee for the remainder of the calendar year 1937 the sum of Ten Thousand Dollars (\$10,000), payable as follows:

On execution of contract	\$ 1,500.00
" 10th of July	2,000.00
" 10th of August	2,000.00
" 10th of September	2,000.00
" 10th of October	1,500.00
" 10th of November	500.00
" 10th of December	500.00
	<hr/>
	\$10,000.00

and, as a like condition for retaining the license herein granted, the Licensee shall pay as a minimum royalty or license fee for each subsequent year of the life of this agreement the sum of Twenty-five Thousand Dollars (\$25,000), payable as follows:

January	\$ 1,000.00
February	1,000.00
March	1,000.00
April	2,000.00
May	2,000.00
June	3,000.00
July	3,000.00
August	3,000.00
September	3,000.00
October	2,000.00
November	2,000.00
December	2,000.00
	<hr/>
	\$25,000.00

Such amounts as shall be paid as a minimum royalty or license

duced, and sold by the Licensee, the Licensee shall pay to the Licensor the sum of Five Dollars (\$5.00, payable on the 10th day of each month for all mechanisms sold during the next preceding calendar month. As a condition for retaining the license herein granted, the Licensee agrees to pay as a minimum royalty or license fee for the remainder of the calendar year 1937 the sum of Ten Thousand Dollars (\$10,000), payable as follows:

On execution of contract	\$ 1,500.00
" 10th of July	2,000.00
" 10th of August	2,000.00
" 10th of September	2,000.00
" 10th of October	1,500.00
" 10th of November	500.00
" 10th of December	500.00
	<u>\$10,000.00</u>

and, as a like condition for retaining the license herein granted, the Licensee shall pay as a minimum royalty or license fee for each subsequent year of the life of this agreement the sum of Twenty-five Thousand Dollars (\$25,000), payable as follows:

January	\$ 1,000.00
February	1,000.00
March	1,000.00
April	2,000.00
May	2,000.00
June	3,000.00
July	3,000.00
August	3,000.00
September	3,000.00
October	2,000.00
November	2,000.00
December	<u>2,000.00</u>
	\$25,000.00

Such amounts as shall be paid as a minimum royalty or license fee shall be credited against royalties that shall accrue hereunder at said rate of Five Dollars (\$5.00) per mechanism sold by said Licensee.



The Licensee covenants and agrees to use his best endeavor to popularize said mechanism, and in every reasonable manner will push the sale of said mechanism.

(3) It is contemplated by both parties hereto that said Nicholas Demos is to organize a corporation for the purpose of taking an assignment from said Demos of this agreement and of assuming all the rights and obligations of said Demos hereunder. Said Nicholas Demos further represents that he has the requisite financial resources for organizing and furnishing the amount of capital contemplated by the parties hereto as being necessary for the purpose of carrying on the business intended to be carried on by the Licensee hereunder. Accordingly, the said Nicholas Demos hereby covenants and agrees that he will cause to be completely organized, within 30 days from the date hereof, a corporation under the laws of the State of Delaware, or such other State as he shall choose, under the corporate name of "Salsbury Motor Glide Company," or such different corporate name as may be approved in writing by the Licensor. The capital stock of said corporation shall be in such amount as may be determined by said Demos, but not less than a sum sufficient to give said corporation a working capital of at least Twenty-five Thousand Dollars (\$25,000) in cash on the date that this license agreement shall be assigned to it.

As soon as said corporation shall have been completely organized and shall have the working capital herein required said Nicholas Demos shall assign his entire interest hereunder to said corporation by executing the assignment provision ap-

endeavor to popularize said mechanism, and in every reasonable manner will push the sale of said mechanism.

(3) It is contemplated by both parties hereto that said Nicholas Demos is to organize a corporation for the purpose of taking an assignment from said Demos of this agreement and of assuming all the rights and obligations of said Demos hereunder. Said Nicholas Demos further represents that he has the requisite financial resources for organizing and furnishing the amount of capital contemplated by the parties hereto as being necessary for the purpose of carrying on the business intended to be carried on by the Licensee hereunder. Accordingly, the said Nicholas Demos hereby covenants and agrees that he will cause to be completely organized, within 30 days from the date hereof, a corporation under the laws of the State of Delaware, or such other State as he shall choose, under the corporate name of "Salsbury Motor Glide Company," or such different corporate name as may be approved in writing by the Licensor. The capital stock of said corporation shall be in such amount as may be determined by said Demos, but not less than a sum sufficient to give said corporation a working capital of at least Twenty-five Thousand Dollars (\$25,000) in cash on the date that this license agreement shall be assigned to it.

As soon as said corporation shall have been completely organized and shall have the working capital herein required said Nicholas Demos shall assign his entire interest hereunder to said corporation by executing the assignment provision appended at the foot hereof, and at the same time said corporation shall assume the entire rights and obligations of said Nicholas Demos hereunder by executing the provision for acceptance appended at the foot hereof. Upon such assignment being made by

Demos and such acceptance by said corporation, said corporation shall be deemed and taken to be substituted to all the rights and liabilities of said Nicholas Demos hereunder, to the same extent as if it had been originally named herein as the Licensee, and thereupon the word "Licensee" wherever used in this agreement shall be taken and construed to mean said corporation so taking the assignment of this license; and the word "his" herein used as referring to Demos as the license; and the word "his" herein used as referring to Demos as the Licensee shall then refer to said assignee corporation as if the word "its" had been used. Upon such assignment being made in accordance with the provisions hereof, said Demos shall be relieved of further obligation hereunder except as provided in Paragraph (7) hereof, or in the event of the death of said Demos prior to the making of such assignment contemplated to be made, the estate of said Demos shall be relieved of any further obligation hereunder.

(4) As soon as the Licensee is ready to commence business hereunder, the Licensor will promptly turn over to the Licensee detailed drawings, plans and specifications, and such other information and instructions as shall be necessary to enable the Licensee to manufacture or produce Salsbury Motor Glides. The Licensor will also turn over to the Licensee copies of its advertising matter, dealer forms, warranty agreements, and such other literature as is customarily used by the Licensor in selling said mechanism, and from time to time will furnish to the Licensee such advertising literature as shall then be used by the Licensor in the conduct of

the rights and liabilities of said Nicholas Demos hereunder, to the same extent as if it had been originally named herein as the Licensee, and thereupon the word "Licensee" wherever used in this agreement shall be taken and construed to mean said corporation so taking the assignment of this license; and the word "his" herein used as referring to Demos as the license; and the word "his" herein used as referring to Demos as the Licensee shall then refer to said assignee corporation as if the word "its" had been used. Upon such assignment being made in accordance with the provisions hereof, said Demos shall be relieved of further obligation hereunder except as provided in Paragraph (7) hereof, or in the event of the death of said Demos prior to the making of such assignment contemplated to be made, the estate of said Demos shall be relieved of any further obligation hereunder.

(4) As soon as the Licensee is ready to commence business hereunder, the Licensor will promptly turn over to the Licensee detailed drawings, plans and specifications, and such other information and instructions as shall be necessary to enable the Licensee to manufacture or produce Salsbury Motor Glides. The Licensor will also turn over to the Licensee copies of its advertising matter, dealer forms, warranty agreements, and such other literature as is customarily used by the Licensor in selling said mechanism, and from time to time will furnish to the Licensee such advertising literature as shall then be used by the Licensor in the conduct of its business in that portion of the United States which is not granted to the Licensee hereunder, and which is expressly reserved as the field of operation for the Licensor. As a further aid to the Licensee, the Licensor will also turn over to the Licensee all orders on hand, future orders, dealer contracts, and such inquiries as from time to time shall come

in from Eastern territory.

(5) The Licensee agrees that as soon as practicable he will get into a position to manufacture, produce or secure from sources other than the Licensor all parts required for the production of said Motor Glide, but in the meantime the Licensor will furnish parts to the Licensee f.o.b. Los Angeles at actual cost to the Licensor plus ten per cent (10%).

(6) It is recognized and admitted by the Licensee that under the terms of this agreement and the operation thereof that the Licensee will thereby learn the engineering features, the inventions, the mechanisms and trade secrets of the Licensor, and it is recognized and agreed by the Licensee that upon the termination of this contract the Licensor shall be repossessed of the complete enjoyment of all "Salsbury rights" everywhere, just as fully as if this contract had never been made. Accordingly, it is hereby covenanted and agreed by the Licensee that upon the expiration of this agreement or its earlier termination for any cause whatsoever, all rights hereby granted to the Licensee shall immediately revert to the Licensor, and for a period of five (5) years thereafter the Licensee shall not, directly or indirectly, engage in the business of manufacturing or producing or selling two-wheel motorized mechanisms of any character or description whatsoever which would in any manner compete with the Salsbury Motor Glide. For the further protection of the Licensor and of its trade name "Motor Glide" and the good will connected therewith, the Licensee expressly agrees that

ble he will get into a position to manufacture, produce or secure from sources other than the Licensor all parts required for the production of said Motor Glide, but in the meantime the Licensor will furnish parts to the Licensee f.o.b. Los Angeles at actual cost to the Licensor plus ten per cent (10%).

(6) It is recognized and admitted by the Licensee that under the terms of this agreements and the operation thereof that the Licensee will thereby learn the engineering features, the inventions, the mechanisms and trade secrets of the Licensor, and it is recognized and agreed by the Licensee that upon the termination of this contract the Licensor shall be repossessed of the complete enjoyment of all "Salsbury rights" everywhere, just as fully as if this contract had never been made. Accordingly, it is hereby covenanted and agreed by the Licensee that upon the expiration of this agreement or its earlier termination for any cause whatsoever, all rights hereby granted to the Licensee shall immediately revert to the Licensor, and for a period of five (5) years thereafter the Licensee shall not, directly or indirectly, engage in the business of manufacturing or producing or selling two-wheel motorized mechanisms of any character or description whatsoever which could in any manner compete with the Salsbury Motor Glide. For the further protection of the Licensor and of its trade name "Motor Glide" and the good will connected therewith, the Licensee expressly agrees that upon the expiration or earlier termination of this contract it will change its corporate name so as not to include therein the word "Salsbury," the words "Motor Glide," or any other words similar thereto or suggestive of the same idea, or which would compete with any other trade name for said Motor Glide

which may be adopted therefor by the Licensor.

(7) As a further assurance and protection to the Licensor and its said Motor Glide business, the said Nicholas Demos expressly covenants and agrees that so long as this agreement is in force, and for five (5) years thereafter, he will not engage, either directly or indirectly, in the business of manufacturing, producing or selling two-wheel motorized mechanisms similar to, or which could in any manner compete with, the Salsbury Motor Glide. The obligation assumed by said Demos under this paragraph shall survive the assignment of this contract to the corporation contemplated to be formed under the provisions of Paragraph (3) hereof.

(8) The Licensee agrees with each monthly statement to furnish a sworn statement as to the number of Motor Glides manufactured and sold during the next preceding month; and the Licensor by its duly authorized accountant, or other representative, shall have the right at all reasonable times to examine the books and records of the Licensee to determine the accuracy of the statements so rendered by the Licensee.

(9) The payment of license fees or royalties required under the provisions hereof shall be suspended during any period when the Licensee is prevented from performance by reason of inability to manufacture or produce Motor Glides on account of strike, fire, act of God, or other cause beyond the Licensee's control.

IN WITNESS WHEREOF, Salsbury Corporation has caused this instrument to be duly executed in its corporate name by its President, and the said Nicholas Demos has hereunto set

Licenser and its said Motor Glide business, the said Nicholas Demos expressly covenants and agrees that so long as this agreement is in force, and for five (5) years thereafter, he will not engage, either directly or indirectly, in the business of manufacturing, producing or selling two-wheel motorized mechanisms similar to, or which could in any manner compete with, the Salsbury Motor Glide. The obligation assumed by said Demos under this paragraph shall survive the assignment of this contract to the corporation contemplated to be formed under the provisions of Paragraph (3) hereof.

(8) The Licensee agrees with each monthly statement to furnish a sworn statement as to the number of Motor Glides manufactured and sold during the next preceding month; and the Licenser by its duly authorized accountant, or other representative, shall have the right at all reasonable times to examine the books and records of the Licensee to determine the accuracy of the statements so rendered by the Licensee.

(9) The payment of license fees or royalties required under the provisions hereof shall be suspended during any period when the Licensee is prevented from performance by reason of inability to manufacture or produce Motor Glides on account of strike, fire, act of God, or other cause beyond the Licensee's control.

IN WITNESS WHEREOF, Salsbury Corporation has caused this instrument to be duly executed in its corporate name by its President, and the said Nicholas Demos has hereunto set his hand and seal, all on the day and year first above written.

(signed)

SALSBURY CORPORATION  
By E. F. SALSBURY,  
President.

(signed)

Nicholas Demos (SEAL).



The undersigned, NICHOLAS DEMOS, hereby assigns his entire right, title and interest in and under the above and foregoing contract to \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* \* \* \* \*

The undersigned, \_\_\_\_\_, a corporation organized under the laws of the State of \_\_\_\_\_, hereby accepts from NICHOLAS DEMOS the assignment of the above and foregoing agreement, and hereby covenants and agrees to perform and be bound by all of the covenants, terms and provisions imposed upon the Licensee in said agreement.

\_\_\_\_\_