

See Paragraph 7 -

Provisions with respect to  
prolonged incapacitating  
illness

See Paragraph 12 - Right of employer to terminate duties of employee without affecting employee's right to compensation.

See Paragraph 14 - Provision for giving notice under the contract.

EXHIBIT H-45

AGREEMENT dated February 1, 1939, by and between FARNSWORTH TELEVISION & RADIO CORPORATION, a Delaware corporation, hereinafter called "the corporation", and E. A. NICHOLAS, hereinafter called "Nicholas".

In consideration of the covenants and agreements herein contained, and other good and valuable considerations, receipt of which is hereby acknowledged, the parties hereto agree with each other as follows:

FIRST: The corporation hereby employs Nicholas as its Chief Executive Manager for a term of one year beginning February 1, 1939. As such Chief Executive Manager Nicholas shall have general charge and supervision, subject to the control of the Board of Directors of the corporation, of the business and operations of the corporation and of its subsidiary and/or affiliated corporation or corporations.

SECOND: Nicholas hereby accepts such employment and agrees to devote his entire time and energy exclusively to the performance of his duties and services hereunder and agrees not to engage in any other business or businesses, whether or not similar to or in competition with that of the corporation.

Nicholas hereby represents and warrants that he has no contracts for his services to or with any other person, firm or corporation, other than such as are terminable by him at his will, and that he has full right and power to enter into this agreement.

THIRD: For services rendered to the corporation by Nicholas prior to March 1, 1939 (including certain services for the benefit of the corporation rendered by him at the request of the corporation prior to the date of this agreement), the corporation agrees to pay to him the sum of One Thousand Six Hundred Sixty-six and 67/100 (\$1,666.67) Dollars, and also to issue to him, on March 1, 1939, five thousand (5,000) shares of the Common Stock of the corporation of the par value of One (\$1.00) Dollar per share, the same to be issued to him as fully paid and non-assessable stock. For services to be rendered by Nicholas hereunder subsequent to February 28, 1939, the corporation agrees to pay to Nicholas a salary of not less than Twenty Thousand (\$20,000) Dollars per annum payable monthly in equal instalments.

FOURTH: As an inducement to Nicholas to enter into this agreement, and subject to the terms and conditions herein set forth, the corporation hereby grants to Nicholas the right and option to purchase at Six (\$6.00) Dollars per share up to sixteen thousand six hundred and sixty-seven (16,667) shares of the Common Stock of the corporation of the par value of One (\$1.00) Dollar per share, said shares to be issued or transferred to Nicholas, upon the exercise, in the manner and at the time hereinafter stated, of such option, as fully paid and non-assessable. Said option may be exercised at any time or times subsequent to February 1, 1939 and prior to February 1, 1941.

FIFTH: Unless sooner terminated, as hereinafter provided, the rights and option hereinbefore given to Nicholas to purchase said shares may be exercised by him, within the periods of time aforesaid, by notice signed by him and delivered to the corporation as hereinafter provided, provided, however, that such option may be exercised only in units or blocks of not less than five hundred (500) shares. Such notice shall state the number of shares with respect to which the option is being exercised and shall specify a date not less than five (5) nor more than fifteen (15) days after

the date of such notice, as the date on which Nicholas will take up and pay for such stock; provided, that if any law or regulation of the Securities and Exchange Commission or other body having jurisdiction in the premises shall require the corporation or Nicholas to take any action prior to the delivery of the shares specified in such notice, then the date specified in said notice for taking up such stock and for payment therefor shall be extended for the period necessary to take such action.

On the date specified in said notice, as the same be extended as above provided, the corporation will deliver or cause to be delivered to Nicholas, at the principal office of the corporation, certificates for the number of shares with respect to which the option is being exercised, registered in such name as Nicholas shall in such notice prescribe, against payment therefor by Nicholas, by certified check acceptable to the corporation and drawn on New York funds, for the option price.

In the event that Nicholas shall fail to take up and pay for the number of shares specified in such notice on the date set forth therein, as the same may be extended as above provided, the exercise of this option with respect thereto shall be inoperative, and this option shall terminate with respect to such number of shares, but shall continue with respect to the remaining shares covered by this agreement and not yet acquired by Nicholas pursuant hereto.

Nicholas shall not be deemed for any purpose to be, or have any rights whatever of, a stockholder of the corporation in respect of shares as to which this option shall not have been exercised and payment made as herein provided, and shall not be deemed to have any other rights with respect to such shares not expressly conferred by this agreement.

SIXTH: If any of the following events shall occur, prior to the expiration or other termination of this option, the aggregate number of shares covered by this option (or the balance of the shares covered thereby, if theretofore the option shall be exercised in part) and the purchase price payable therefor, shall in each instance be changed or adjusted as follows:

(a) If a stock dividend shall be declared on the Common Stock of the corporation, there shall be added to the shares of stock under option to Nicholas hereunder the number of shares which would have been issued to Nicholas as a stockholder if, at the record date for determination of stockholders entitled to receive payment of such stock dividend, Nicholas had been the holder of record of the number of shares of Common Stock then under option but not theretofore purchased and issued hereunder. Such additional shares so resulting on account of such dividends shall be delivered proportionately from time to time without additional cost upon the exercise of this option. Any distribution to the holders of Common Stock of the corporation, other than a distribution of cash as a dividend out of surplus or net profits or a distribution by way of the granting of rights to subscribe or a distribution in complete or partial liquidation of the corporation, shall be treated for the purposes of this agreement as a stock dividend.

(b) If there shall be any subdivision of shares of Common Stock of the corporation or any combination of such shares, the number of shares which may thereafter be purchased pursuant to the option hereby granted shall be the number of shares which would have been received by Nicholas on such subdivision or combination had Nicholas, immediately prior to such subdivision or combination, become the holder of record of the number of shares of Common

Stock included in the option hereby granted and not theretofore purchased and issued hereunder. In the event of such subdivision, the per share purchase price thereafter of the shares deliverable on exercise of this option shall be determined by dividing the per share option price in effect immediately prior to such subdivision by the number of shares into which each share of the stock of the corporation shall be subdivided, and the resulting quotient shall be the purchase price in dollars per share of the stock thereafter purchasable hereunder. In the event of such combination, the per share purchase price of the shares thereafter deliverable on exercise of this option shall be determined by multiplying the per share option price in effect immediately prior to such combination by the number of shares required to constitute one share of the combined stock, and the resulting product shall be the purchase price in dollars per share of the stock thereafter purchasable hereunder.

(c) If the corporation shall grant to the holders of its Common Stock rights to subscribe pro rata for additional shares thereof, or to subscribe for any other securities of the corporation or of any other corporation, the corporation shall grant to Nicholas the same right, and on the same terms and conditions, to subscribe to such shares or securities as he would have been entitled to if, on the record date fixed by the corporation for the determination of the stockholders entitled so to subscribe for such stock or other securities, Nicholas were the owner and holder of record of so much of the stock as on such record date remains subject to the option herein granted to him.

(d) If there shall be any capital reorganization or reclassification of the capital stock of the corporation, or consolidation or merger of the corporation with any other corporation or corporations, or the sale of all or substantially all of the corporation's property and assets to any other corporation or corporations, adequate provision shall be made by the corporation so that thereafter in lieu of the shares of Common Stock of the corporation then included in the option hereby granted and not theretofore purchased and issued hereunder, there shall remain and be thereafter substituted under the option hereby granted during the period thereof the amount of such other shares of stock, such securities or assets as would have been issuable or payable in respect of or in exchange for the number of shares of Common Stock then remaining under the option hereby granted and not theretofore purchased and issued hereunder, had Nicholas on the record date for the determination thereof been the record holder of such shares; and shares of stock so substituted under the option hereby granted shall be subject to adjustment as provided in this paragraph SIXTH in the same manner and to the same extent as the shares of Common Stock of the corporation included under the option hereby granted.

Upon any adjustment required as hereinabove provided of the purchase price or the number of shares purchasable upon the exercise of the option hereby granted, the corporation agrees forthwith upon request to deliver to Nicholas, his executors or administrators, a certificate, signed by its Secretary or Treasurer, setting forth the number of shares and the price per share thereafter purchasable on the exercise of the option hereby granted.

SEVENTH: No fractions of or fractional shares shall be purchasable or deliverable hereunder. So far as feasible, delivery of the shares shall be made as of the date of delivery of notice of exercise of the option with

respect thereto, and Nicholas shall be entitled to receive all dividends and distributions (payable in cash, stock, or otherwise) or the equivalent thereof payable to stockholders of record subsequent to delivery of notice of exercise of the option with respect to such shares and prior to the date of delivery of the shares pursuant thereto.

The corporation will, at all times during the term of this option, reserve and keep available, out of its authorized and unissued Common Stock and other securities to which this option may become applicable in accordance with the foregoing provisions, authorized and unissued, such number of shares of its Common Stock and all such other securities as shall be sufficient to satisfy the requirements of the option granted hereby, will deliver such stock and such other securities from time to time on the exercise of such option, and will pay all federal original issue taxes on such issue and delivery, and all other fees or expenses necessarily incurred by the corporation in connection therewith; provided, however, that all federal and state transfer taxes payable in respect of shares of Common Stock or other securities of the corporation issued and delivered under this option in a name other than the name of Nicholas shall, upon delivery of such shares, be paid by Nicholas.

EIGHTH: The option herein granted shall not be assigned, transferred, pledged, hypothecated, sold or otherwise disposed of in whole or in part, is being understood that it is a personal option granted to Nicholas; provided, however, that in the event of Nicholas' death prior to the expiration by its terms of the period of employment herein provided for, his executors or administrators shall have the right (provided there shall otherwise be no legal limitation upon their power as such executors or administrators so to do), within one year after such death, to exercise any option which Nicholas might have exercised at the time of his death.

Nicholas represents and agrees that the exercise at any time by him of the option hereunder in respect of any shares shall be with the view of investment thereof, within the meaning of the Securities Act of 1933 as heretofore or hereafter amended, and not with the view of distribution thereof.

NINTH: The corporation, its successors and assigns shall be entitled to and shall own, solely and exclusively, all of the results, products and proceeds of the services of Nicholas while employed by the corporation, whether under this agreement or otherwise (including, without limitation of the generality of the foregoing, the sole and exclusive rights throughout the world of trademarks, patent and copyright), whether such results, products and proceeds consist of mechanical devices, designs, ideas, materials, products, machines, processes, compositions of matter, articles of manufacture, formulae or any kinds of inventions; and Nicholas does hereby assign set over and transfer, and agrees to assign, set over and transfer complete ownership to all of said results, products and proceeds, without reservation, condition or limitation.

Nicholas agrees to make such applications for Letters Patent of the United States and foreign countries on any and all his inventions as may be desired by the corporation and agrees to assist the corporation in all ways within his power to obtain the issuance of such patents, and agrees to sign and execute all documents, make all rightful oaths, testify in any appeals or interference procedures, and do such other lawful acts as may appear necessary or desirable to the corporation to obtain the fullest protection on such inventions. Nicholas further agrees to execute any such assignments as may appear to the corporation to be necessary or appropriate in order to transfer to the corporation the entire right, title

and interest in and to his inventions and to secure the issuance of patents thereon in the name of the corporation or its designees. Nicholas further agrees that he will do any and all lawful acts that may be desired by the corporation, and will assist the corporation in all ways within his power to obtain for the corporation such trademarks, tradenames and copyrights originated by him as may be desired by the corporation and to cause the same to be registered in its name as the owner thereof.

In the event that, after the termination of the employment of Nicholas by the corporation, Nicholas shall at the request of the corporation render any services to it in connection with any of the matters set forth in this paragraph NINTH, Nicholas shall be entitled to receive reasonable compensation from the corporation for the time devoted by him for such services.

Nicholas will not transfer nor attempt to transfer any right, privilege, title or interest in, to or under any of the results, products and proceeds of his services hereunder to any other person, firm or corporation. Nicholas hereby authorizes the corporation to institute any proper legal proceedings, in his name or otherwise, that it may deem necessary or advisable to prevent any infringement of its rights under this agreement and Nicholas agrees to cooperate in such proceedings to the fullest extent.

TENTH: In the event that the corporation may desire at any time or from time to time to apply, at its own cost and expense, in its own name or otherwise, for life, health, accident or other insurance covering Nicholas, Nicholas agrees that he shall have no right, title or interest in or to any such insurance, and that he will assist the corporation in obtaining the same by submitting to the usual and customary medical and other examinations and by signing such applications and other instruments as may reasonably be required by the corporation or by any insurance company to which any such application shall be made.

ELEVENTH: In the event that Nicholas shall become incapacitated by reason of mental or physical disability, or otherwise (except by death) from fully performing his duties and services hereunder, the corporation shall have the right and power to terminate his employment (but not his right to exercise any option granted hereunder) on giving Nicholas written notice of such termination. If, in such event, the corporation shall so terminate the employment of Nicholas, it shall nevertheless be obligated, promptly after the date of termination to be specified in such notice, to pay to Nicholas not less than Twenty Thousand (\$20,000) Dollars, together with such additional amount, if any, as the corporation may voluntarily pay to him.

TWELFTH: The corporation reserves the right to relieve Nicholas of his duties at any time and to terminate any right of Nicholas to represent the corporation as agent or officer, or otherwise, provided, however, that, unless this agreement has been theretofore breached by Nicholas (or action shall have been taken pursuant to paragraph ELEVENTH hereof), such action on the part of the corporation shall not reduce or in any way affect his right to compensation hereunder, including the right to exercise any option referred to herein. In the event of breach of contract by Nicholas and subsequent termination of this agreement by the corporation, any and all options given by this agreement to Nicholas to purchase stock of the corporation shall thereupon fully and finally cease and terminate, except in so far as notice of exercise of the same shall have been actually given by Nicholas prior to such termination.

THIRTEENTH: The corporation is negotiating a contract with underwriters for the sale to the general public of shares of its common stock

in such number and at such price as will yield to the corporation a net amount of approximately Two Million Five Hundred Thousand (\$2,500,000.00) Dollars. The corporation is also negotiating a contract with General Household Utilities Corporation, a Delaware corporation, for the acquisition by the corporation of certain real and personal property therein more fully described, and the corporation is negotiating a contract with The Capehart, Incorporated, an Indiana corporation, for the acquisition by the corporation of certain real and personal property therein more fully described. In the event that all the aforesaid negotiations shall be consummated and the corporation shall enter into agreements with said underwriters, General Household Utilities Company and The Capehart, Incorporated, and shall receive from the underwriters approximately Two Million Five Hundred Thousand (\$2,500,000.00) Dollars in cash, and shall acquire from said other parties substantially the properties provided in their respective agreements to be acquired from them, then and in such events (but only in such events) the provisions of this agreement, hereinafter in this paragraph THIRTEENTH referred to, shall be deemed altered and amended to the extent hereinafter in this paragraph THIRTEENTH stated. Such alterations and amendments shall be and become operative and effective as of the date on which the corporation shall so receive said sum of approximately Two Million Five Hundred Thousand (\$2,500,000.00) Dollars. Such date is hereinafter called "the effective date".

(a) The term of employment of Nicholas, stated in paragraph FIRST to be one year, shall be three years;

(b) The rate of compensation of Nicholas, stated in paragraph THIRD to be not less than Twenty Thousand (\$20,000) Dollars per annum, shall be not less than Thirty Thousand (\$30,000) Dollars per annum; but the corporation shall not become obligated to pay Nicholas at such increased rate for the period of employment which may have elapsed prior to the effective date;

(c) The number of shares of Common Stock of the corporation as to which Nicholas shall have the option, hereinbefore in this agreement set forth, which number is stated in paragraph FOURTH hereof to be sixteen thousand six hundred and sixty-seven (16,667) shares, shall be fifty thousand (50,000) shares. (In the event that Nicholas shall have exercised his option under paragraph FOURTH with respect to any shares of said Common Stock prior to the effective date, then the number of shares of Common Stock as to which Nicholas shall have an option shall be fifty thousand (50,000) shares less the number of shares as to which he shall have so previously exercised his option; and wherever in this paragraph THIRTEENTH reference is made to "fifty thousand (50,000) shares", said reference shall be deemed to mean "fifty thousand (50,000) shares less such number of shares, if any, as to which Nicholas shall have duly exercised his option prior to the effective date"). The price to be paid by Nicholas under said option, which price is stated in said paragraph FOURTH to be Six (\$6.00) Dollars per share, shall be the price at which the corporation's Common Stock shall be originally offered to the public by the underwriters with whom the corporation shall have made the underwriting agreement hereinbefore referred to (except that said price shall remain Six (\$6.00) Dollars per share with respect to such number of shares, if any, as to which Nicholas shall have duly exercised his said option prior to the effective date);



(d) The times within which said option may be exercised, and the number of shares with respect to which said option may be exercised within such respective times, shall be changed from the provisions as set forth in paragraph FOURTH to be as follows:

(1) Sixteen thousand six hundred and sixty-seven (16,667) shares (less such number of shares, if any, as to which Nicholas shall have exercised his option prior to the effective date) of said total of fifty thousand (50,000) shares may be purchased by Nicholas at any time or times on or prior to January 31, 1944.

(2) Sixteen thousand six hundred and sixty-seven (16,667) additional shares of said total of fifty thousand (50,000) shares may be purchased by Nicholas at any time or times from February 1, 1940 to January 31, 1944, both dates inclusive.

(3) Sixteen thousand six hundred and sixty-six (16,666) additional shares of said total of fifty thousand (50,000) shares may be purchased by Nicholas at any time or times from February 1, 1941 to January 31, 1944, both dates inclusive.

(e) The amount payable to Nicholas in the event of termination of his employment under paragraph ELEVEN shall be Thirty Thousand (\$30,000) Dollars if such termination shall become effective prior to February 1, 1940, and if such termination shall become effective on or after February 1, 1940, said amount shall be Thirty Thousand (\$30,000) Dollars less any amounts already paid to Nicholas on account of salary during the twelve months' period beginning with the last preceding February 1st in which said termination became effective, but said amount shall, in no event, be less than Fifteen Thousand (\$15,000) Dollars.

FOURTEENTH: All notices which the corporation is required or may desire to give to Nicholas hereunder may be given by addressing the same to Nicholas at the principal office of the corporation or at such other place as Nicholas may from time to time designate in writing, and by depositing the same, so addressed, postage prepaid, in the United States mail. All notice which Nicholas is required or may desire to give to the corporation hereunder may be given by addressing the same to the corporation at its principal office or at such other place as the corporation may from time to time designate in writing, and by depositing the same, so addressed, postage prepaid, in the United States mail. The date of mailing of any such notice shall be deemed to be the date of delivery.

FIFTEENTH: This agreement is subject to all laws and regulations of any governmental authority which may be applicable thereto, and notwithstanding any of the provisions hereof Nicholas agrees that he will not exercise the option granted hereby nor will the corporation be obligated to issue any shares of stock to Nicholas hereunder if the exercise thereof or the issuance of such shares shall constitute a violation by Nicholas or the corporation of any provision of any such law or regulation.

SIXTEENTH: No waiver by either party or any condition or term or provision of this agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other condition, term or provision thereof.

SEVENTEENTH: This agreement and all the rights of the corporation hereunder may be assigned by it from time to time, including successive

assignments, to any corporation which may result from any merger, consolidation, transfer of assets or reorganization of the corporation and/or to any corporation which shall succeed to the business of the corporation.

EIGHTEENTH: It is understood and agreed that the loss of the services of Nicholas could not adequately be compensated in damages in an action at law and that a breach by Nicholas of the provisions of this agreement would cause the corporation irreparable injury and damages; and Nicholas agrees that if any action or actions should be brought in equity by the corporation to enforce any of the provisions of this agreement, he will not urge the defense that there is an adequate remedy at law.

NINETEENTH: This agreement shall be binding upon and shall enure to the benefit of the parties hereto, the executors and administrators of Nicholas, the successors of the corporation and such assignees of the corporation as are permitted by the provisions of paragraph SEVENTEENTH hereof.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

FARNSWORTH TELEVISION & RADIO CORPORATION

By Philo T. Farnsworth

Vice Pres—

E. A. Nicholas (L. S.)

(E. A. Nicholas)