

June 28, 1985

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W.C. BURKHEAD

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LAW DEPT.

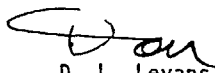
Mr. Anthony Boone
Department 766

Attached is the proposed Amendment to the Maremont Basic. I have the following comments:

1. Brakes probably should be treated separately -- as far as I'm concerned Exhaust and Shocks can remain on the same Amendment.
2. At the bottom of page 3 I would like to add -- "At Sears option and agreed to by Seller," said contract prices shall then --.
3. On page 4, ninth line of type, add -- a third "final" adjustment.
4. On page 4, 15th line of type, add -- manufactured and shipped during the ---.

I have covered the proposal with Maremont and they are in preliminary agreement.

Thank you very much for processing the Amendment.


D. L. Levans
Department 628

DLL:tc

cc: J. Sackheim, D/628
R. Ferguson, D/628
F. Andelbrat, D/628
F. Hatcher, D/628
M. Zajac, D/628M
F. Saczawa, D/700-8
E. Loth, D/768A
C. Miles, D/768A
C. Burkhead; Maremont

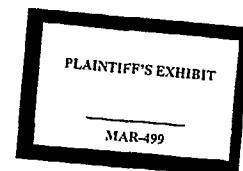
att.

J. Sherr

F.Y.I.

EB 7/1/85

F/U 8/1



MAR 007225

AMENDMENT AGREEMENT

AMENDMENT AGREEMENT made the ____ day of _____, 198____,
between MAREMONT CORPORATION, a Delaware corporation (hereinafter
called "Seller"), and SEARS, ROEBUCK AND CO., a New York corporation
(hereinafter called "Sears"):

WITNESSETH:

*Should be addressed
in Separate Amendment*

WHEREAS, by Agreements dated January 1, 1971, July 1, 1971 and
January 1, 1973, as subsequently amended, Seller agreed to manufacture
and sell to Sears, and Sears agreed to purchase from Seller certain of
Sears requirements of shock absorbers, lined brake shoe sets, and
exhaust system parts purchased through Sears Department 628, all as set
forth therein, and;

WHEREAS, the parties wish to further amend the Agreements in
order to change the method by which the "contract price" of product
will be computed;

NOW, THEREFORE, the parties agree that effective July 1, 1985,
Paragraph 2(a) of the aforementioned Agreements is deleted and the
following is substituted therefor:

"2.(a) It is the intent of the parties that product manufactured by Seller for Sears will be scheduled for production semi-annually during the term hereof so as to meet Sears reasonable delivery requirements, and insofar as possible to achieve manufacturing efficiency and economical production. For such purpose, each contract year shall be divided into two semi-annual periods (hereinafter called "periods") beginning, respectively, on the first day of January and July. Sears shall furnish to Seller, at least forty-five (45) days before the beginning of each contract year, a written estimate of Sears requirements of product for such year. Within fifteen (15) days after receipt from Sears said estimate, Seller shall furnish to Sears a written statement of Sellers estimated capacity for production of product during such contract year, and a written statement of Seller's computation of its estimated "manufacturing cost", as defined in Schedule "A" hereof, of product to be manufactured for Sears during such year. Such statements of estimated cost shall show as accurately as Seller can determine each element entering into "manufacturing cost" and any differences between the estimated "manufacturing cost" of product and Seller's standard cost hereinafter referred to. Thereafter, and at least fifteen (15) days before the beginning of each contract year, the estimated "manufacturing cost" to be used in fixing the contract price to be charged for product

"2.(a) It is the intent of the parties that product manufactured by Seller for Sears will be scheduled for production semi-annually during the term hereof so as to meet Sears reasonable delivery requirements, and insofar as possible to achieve manufacturing efficiency and economical production. For such purpose, each contract year shall be divided into two semi-annual periods (hereinafter called "periods") beginning, respectively, on the first day of January and July. Sears shall furnish to Seller, at least forty-five (45) days before the beginning of each contract year, a written estimate of Sears requirements of product for such year. Within fifteen (15) days after receipt from Sears of said estimate, Seller shall furnish to Sears a written statement of Sellers estimated capacity for production of product during such contract year, and a written statement of Seller's computation of its estimated "manufacturing cost", as defined in Schedule "A" hereof, of product to be manufactured for Sears during such year. Such statements of estimated cost shall show as accurately as Seller can determine each element entering into "manufacturing cost" and any differences between the estimated "manufacturing cost" of product and Seller's standard cost hereinafter referred to. Thereafter, and at least fifteen (15) days before the beginning of each contract year, the estimated "manufacturing cost" to be used in fixing the contract price to be charged for product

to be manufactured during such year shall be agreed upon by Seller and Sears, or otherwise established as provided in Paragraph 7 hereof. Sears shall then immediately place with Seller a firm production order for the first period at the contract price determined in accordance with the provisions of Paragraph 3 hereof. In addition, at least forty-five (45) days in advance of the second period of each contract year, Sears shall furnish Seller a written estimate of Sears requirements of product for said period. Within fifteen (15) days thereafter, Seller shall furnish Sears with a written statement of its estimated capacity for production of product during said period, and a written statement of Seller's computation of an updated estimated "manufacturing cost", as defined above, of product to be manufactured during said period. Thereafter, and at least fifteen (15) days before the beginning of said period, the updated estimated manufacturing cost to be used in fixing the contract prices to be paid by Sears for product manufactured during said period shall be agreed upon by Seller and Sears, or otherwise established as provided in Paragraph 7 hereof, and the contract prices shall be calculated as provided in Paragraph 3. ^{At Seller's option and agreed to by Seller} Said contract prices shall then be adjusted upward or downward, in amounts determined by Sears, for each item of product, so that the total contract price for all product which the parties estimate will have been

manufactured by Seller during the entire contract year shall equal the updated total estimated manufacturing cost for the entire contract year for all items of product, plus the profit margin specified in Paragraph 3. Sears shall then immediately place with Seller a firm production order for said period at the aforementioned contract prices. If Sears purchases two or more items of product of different specifications from Seller, the foregoing procedure shall be followed with respect to each item of product. Either Sears or Seller may request a ^{41st} "final" adjustment of the contract prices of product after the start of the second period but prior to October 1 of the contract year. If such a request is made by either party, Sears and Seller shall agree to a "revised" updated estimated manufacturing cost to be used in fixing the adjusted contract prices to be paid by Sears to Seller for product manufactured ^{And Shipped} during the remainder of the second period. Such agreement shall be in writing and contract prices shall then be adjusted upward or downward in amounts determined by Sears following the procedures already set forth in this Paragraph for fixing contract prices for the "second period."

The aforementioned Agreements, as herein amended, are fully ratified and affirmed.