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PLAINTIFF'S EXHIBIT

MAR-254

December 1, 1953

Mr. Ralph M. Kohlmeier
Parker, Milliken & Kohlmeier
650 South Spring Street
Los Angeles 14, California

Dear Mr. Kohlmeier:

We have examined the documents enclosed with your letter of November 18 to Bernie Math and approve them as drafted with the exception of the assumption agreement. As to the assumption agreement, the clause on page two "and not incurred in the usual or ordinary course of business during the period from December 31, 1952, to and including December 15, 1953" seems to us to go beyond the contract and should be eliminated. We also feel that the third paragraph on page three should be eliminated since this would have the effect of nullifying all of the representations and warranties made by Grizzly and its stockholders.

The preliminary owner's policy finds the title to the real estate in Grizzly Manufacturing Company subject to the rights, if any, of the Cincinnati and Northern Railroad in and to any switch or spur tracks or rights-of-way over the herein described premises and to taxes for the year 1953 which are a lien in an amount not yet determined. Since our deed shows the title to be subject to the identical matters, we would prefer not to have it changed. While paragraph six of the contract provides that the title policy may be subject to the "usual objections appearing in such reports of title" as well as to current real estate taxes and easements, restrictions and rights-of-way, if any of record, paragraph seven provides that the conveyance shall be subject only to "current real estate taxes and easements, restrictions and rights-of-way, if any of record". The deed as drafted has been approved by the title company.

We think it would be well for you to prepare a letter covering the reservation of the name Grizzly Manufacturing Company. We shall advise you later as to what we wish to do with reference to protecting the name in other states.

We have now been furnished with a copy of the Grizzly Manufacturing Company retirement income trust. We note that Section VII provides that in the event of merger or consolidation of the company, the successor corporation may be substituted for the company as trustor. There seems to be no provision, however, for assignment in the case of a sale of assets. Section VIII, however, does provide that the trust may be amended or modified by the company without joinder by the employees, or any of them, or of the trustee (unless its duties or liabilities are increased). It would be extremely inconvenient after Maremont takes over to have the trust continue with a California trustee and Maremont would wish to have The First National Bank of Chicago act as successor trustee. We, therefore, suggest that the trust be amended by providing that in the event of a sale of all or substantially all of the assets to another corporation, the rights of the company as trustor may be assigned to that corporation upon its assuming the obligations of the trustor thereunder and that effective December 15, 1953 (and contingent upon such assignment becoming effective), the trustee is removed and The First National Bank of Chicago appointed successor trustee in accordance with the provisions of Section VI.

We assume that the title to the automobiles owned by Grizzly in California can be transferred only on the certificate of title itself, and that arrangements will be made to cover the transfer of these titles at the closing.

Very truly yours,

SONNENSCHEIN BERKSON LAUTMANN LEVINSON & MORSE

By

Louis P. Haller

LPH:lae
Air Mail