CLAUDE I. PARKER (1871-1952)
JOHN B. MILLIKEN
RALPH M. KOHLMEIER
HARRISON HARKINS
FRANK W. CLARK, JR.
WALTER R. HILKER, JR.
STANLEY L. BAUER
LAVERNE M. SAGHASTER
STANLEY E. REHELMEYER

PARKER, MILLIKEN & KOHLMEIER
ATTORNEYS AT LAW
650 SOUTH SPRING STREET
LOS ANGELES 14, CALIFORNIA
MICHIGAN 1451

OFFICES
WASHINGTON, D.C.
LOS ANGELES

air mail

December 3, 1953

PLAINTIFF'S EXHIBIT
MAR-253

Sonnenschein Berkson Lautmann Levinson & Morse
77 West Washington Street
Chicago 2, Illinois

Attention: Mr. Bernard Nath or
Mr. Louis P. Haller

Gentlemen:

Reference is made to your letter of December 1 and our telephone discussion this morning.

With respect to the first objection in your letter to the assumption agreement, I understand it is satisfactory to you if the sentence beginning about the middle of page 2 of the assumption agreement is rephrased as follows:

> "Maremont also agrees that in the event Grizzly has any liabilities for state or federal income or excess profits taxes for years prior to 1953 not reflected in Exhibits A, B, or C attached hereto and/or any other liabilities or obligations as of December 15, 1953, which existed on December 31, 1953, but are not reflected in Exhibits A, B, or C, Maremont hereby assumes and agrees to pay all such taxes, liabilities, and obligations and interest thereon, whether now or hereafter determined, up to but not exceeding the sum of $125,000.00."

We cannot see that the provisions of the third paragraph on page 3 of the assumption agreement would nullify the warranty in the original agreement since it does not impose upon Maremont any liabilities or obligations other than those expressly assumed in the preceding provisions of the agreement. The thought behind the provision is that Grizzly should not be required to warrant against liabilities of the type that Maremont

expressly agrees to assume. For example, if a vendor of material purchased by Grizzly in the usual and ordinary course of its business should assert a lien against the property or material sold to Grizzly, Grizzly shall not be responsible with respect to such an item since the liability for such an item is expressly assumed by Maremont. On the other hand, if there should be a lien against the property transferred to Maremont arising from a liability incurred by Grizzly and not reflected in the exhibits to the agreement and not incurred in the ordinary course of business, Grizzly should be responsible under its warranty. An ambiguous situation would exist if Grizzly were deemed to warrant against liens for obligations which Maremont agrees to assume. I suggest that the third paragraph on page 3 be rephrased as follows:

> "It is understood and agreed that notwithstanding any warranty or other provision in any deed, bill of sale, assignment, or agreement made in connection with the sale and transfer of substantially all of the assets except cash of Grizzly to Maremont, Grizzly shall not be liable for any liability or obligation hereinabove assumed by Maremont and Maremont shall hold Grizzly harmless from all such liabilities and obligations."

I would appreciate it if, as soon as you have had time to examine this provision, you would wire or telephone me whether it is satisfactory.

There is enclosed a form of letter requesting that the name "Grizzly Manufacturing Company" be reserved for Maremont Automotive Products, Inc. for a period of thirty days after Grizzly changes its name. I suggest that this be signed by an officer of Maremont immediately and returned to us so that we may have it signed upon behalf of Grizzly and ready for mailing from Los Angeles to the Secretary of State of California immediately following the closing on December 15.

We will prepare an amendment to the retirement income trust providing that in the event of the transfer of substantially all the assets and business of Grizzly to another corporation, the transferee may be substituted as trustor under the trust agreement. As soon as this amendment is prepared, we will

forward it to you for your approval. It is our understanding that it is satisfactory to you if the actual change of trustee is made by Maremont after it is substituted as trustor, with the understanding that Grizzly will cooperate if its cooperation is needed for that purpose.

Very truly yours,

RK:CK
Encl.