

AMENDMENT AGREEMENT

PLAINTIFF'S EXHIBIT

MAR-502

AMENDMENT AGREEMENT made the 1st day of August, 1986,
between MAREMONT CORPORATION, a Delaware corporation (hereinafter
called "Seller"), and SEARS, ROEBUCK AND CO., a New York corporation
(hereinafter called "Sears"):

WITNESSETH:

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

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

NOW, THEREFORE, the parties agree that effective August 1, 1986,
Paragraph 2(a) of the aforementioned Agreement is deleted and the
following is substituted therefor:

"2.(a)(i) It is the intent of the parties that product manufac-
tured by Seller for Sears will be scheduled for production
semi-annually during the term hereof so as to meet Sears

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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. Sears shall then immediately place with Seller a firm production order for said period at the aforementioned contract prices.

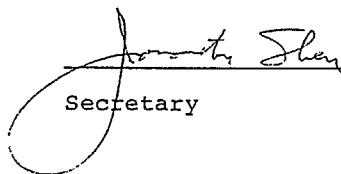
2.(a)(ii) If there is a significant change in Seller's second period estimated manufacturing costs, either Sears or Seller may request a third "final" adjustment of the contract prices of product after the start of the second period but prior to October 1 of the contract year. If such a request is made 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 during the remainder of the second period. Any such agreement shall be in writing".

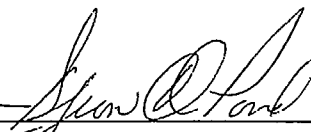
The aforementioned Agreements, as herein amended, are fully ratified and affirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed by their respective representatives duly authorized thereunto, as of the day and year first above written.

ATTEST:

MAREMONT CORPORATION

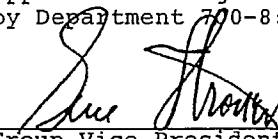

Secretary

By 
President

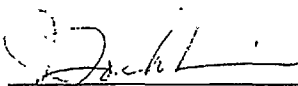
SEARS, ROEBUCK AND CO.

By 
Senior Executive Vice President
Merchandising

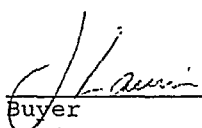
Approved for Signature
by Department 700-8:


Group Vice President

Approved for Signature
by Department 628:


National Merchandise Manager


Senior Buyer


Buyer

10/29/86