

**QUESTION 5 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II  
OR IN EXAMPLIFY ANSWER SCREEN 5**

Cobalt, Inc., manufactures axle assemblies for the automotive industry. Cobalt contracted with Delmar Demolition to demolish one of Cobalt's plants in Hub City, Illinois. Cobalt and Delmar are both Michigan corporations with their principal places of business in Michigan. The contract was negotiated at Cobalt's Michigan headquarters, and specified that it would be governed by Michigan law.

Pamela Parsons, a Michigan resident employed by Delmar, was seriously injured when a section of the Cobalt plant's roof collapsed during the demolition work. Delmar's workers' compensation insurance carrier provided medical benefits and reimbursed Pamela's lost wages. Claiming additional damages for pain and suffering, Pamela filed a lawsuit against Cobalt and Delmar in Michigan in the Riverdale County Circuit Court.

Cobalt, in turn, filed a cross-claim against Delmar under a provision in the Cobalt-Delmar contract, requiring Delmar to indemnify Cobalt for "any and all . . . injuries to persons" occurring during the demolition work.

Delmar moved for summary disposition, arguing that the indemnification clause is void under Illinois law. Cobalt argues in response that the contract's choice-of-law provision requires application of Michigan law, under which the indemnification clause is permissible.

Discuss the factors that the court should consider in determining whether Illinois or Michigan law should apply, which law should be applied, and how the court should rule on Delmar's motion for summary disposition.

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