Ultra Brake Corp.

FMSI 08820

FRICTION MATERIALS STANDARDS INSTITUTE, 588 MONROE TURNPIKE, MONROE, CT 06468

February 16, 1995

TO: Officers & Board of Directors

SUBJECT: Ultra Brake - Unpaid Invoices

We have open invoices for Membership Dues and Catalog purchases for Ultra Brake going back to July 1, 1993. The total amount of open invoices is $3,321.85. We have terminated services to Ultra Brake: that is, no bulletins, catalog solicitations or other Institute mailings are being sent to Ultra Brake.

We have received several mailings from the "Business Estates Bureau" which formed a Creditors Committee for RT Industries and its subsidiaries Roinco Manufacturing, Ultra Brake Corporation and RT Friction and have put forth two payment options for creditors which are (1) payment at $.35 for each $1.00 owed or (2) payment in full over five years.

One Officer and Director I spoke to stated that the above process was just delaying the inevitable and that I should send out a ballot to the Board for consideration of Ultra Brakes' Membership due to non-payment of dues.

Would you please complete the enclosed ballot and return it to the Institute office.

G. N. Laycock
Secretary

GNL:ld
Enclosure

TO: FMSI
588 Monroe Turnpike
Monroe, CT 06468

Concerning the Membership of Ultra Brake Corporation, my vote is to:

Terminate Membership and write off open invoices due to non-payment of dues. ☐

Maintain Membership and opt for Payment Plan #1 at 35 cents on the dollar. ☐

Maintain Membership and opt for Payment Plan #2 full payment over 5 year. ☐

BY: _____

COMPANY: _____

DATE: _____

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

March 16, 1995

R.T. INDUSTRIES, INC.
ROINCO MANUFACTURING, INC.
ULTRA BRAKE CORPORATION, INC.
RT FRICTION, INC.
c/o Larry Schantz, Esq.
Schantz, Schatzman, Aaronson & Cahan
First Union Financial Center
Suite 3650
Miami, FL 33131-2394

BULLETIN #6
MMA FILE #9407152

Dear Creditor:

We have <u>not</u> received your response to the R.T. Industries debt repayment proposals.

As of March 10, 1995, 90% of the creditors in dollar amount have agreed to the repayment plan. Those payments are going out at this time.

Unless we receive your response by March 24, 1995 you cannot be included in the repayment plan. We urge you to respond.

Yours truly,

Michael E. Moecker

Michael E. Moecker pa
Administrative Assistant

MEM/dl

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

January 27, 1995

R.T. INDUSTRIES, INC.)
ROINCO MANUFACTURING, INC.)
ULTRA BRAKE CORPORATION, INC.)
RT FRICTION, INC.)
c/o Larry Schantz, Esq.)
Schantz, Schatzman, Aaronson & Cahan)
First Union Financial Center)
Suite 3650)
Miami, FL 33131-2394)

BULLETIN #6
MMA FILE #9407152

Dear Creditors:

Enclosed is a Composition of Creditors Agreement of R.T.Industries, Inc., which contains the debt repayment proposals in the above matter. Your Creditors' Committee has worked long and hard in conjunction with the Company to construct this Agreement in its present form after experiencing unavoidable delays in drafting what your Committee deemed to be a fair and equitable plan of compromise.

During the Creditors' Committee meeting with the Debtor held on September 23, 1994, it was agreed that the payment options for the repayment of the debt would include an option of part cash and Common Stock Purchase Warrants, and an option consisting solely of Common Stock and Common Stock Purchase Warrants. The Committee and all parties concerned were aware that the inclusion of securities in the payment option plans would require the Company to file a Registration Statement with the Securities and Exchange Commission ("S.E.C.") under the Securities Act of 1933, which filing was in fact made by the Company on December 15, 1994. The Committee, however, did not at that time anticipate that the examination process by the S.E.C. would be as time-consuming as it has proven to be thus far.

The Committee has been advised that in the early part of January 1995, the Company met with an investor group which is willing to participate with the Company. The Committee has been furnished with detailed information regarding the proposed recapitalization and is satisfied that the proposed restructuring would provide long-term benefits to the Company to enable it to implement its plans and continue doing business with Creditors on an ongoing basis.

The proposed recapitalization of the company would require revisions to the pending Registration Statement on file with the S.E.C. This would qive rise to an indeterminate period of further delay before the Registration would be declared effective by the S.E.C. Your Committee therefore has concluded that it would be in the best interests of the Creditors to eliminate the issuance of Common Stock and Warrants as part of the payment options.

As disclosed in the Composition Agreement, the Company has sufficient funds on deposit and in escrow to pay those Creditors in full who select 35% of their Claims in cash, and to meet the initial cash payment required to pay those Creditors who select the option to be paid 100% of their Claims over a period of five (5) years.

The Committee, after careful study and analysis, recommends that the Creditors accept one of the two payment option plans. The Committee also is of the opinion that the payment option consisting of all cash in the amount of 35% of the full claim is fair and in excess of what would be recovered in a liquidation.

For the compromise plan to become effective, acceptances from Creditors holding ninety percent (90%) in dollar amount of all Claims is required. The Creditors' Committee has endorsed the plan set forth in the Composition Agreement, and feels that we have the best agreement available under the circumstances. We need your approval of our efforts. Accordingly, please indicate the payment option selected by you on the enclosed Acceptance Form and mail it to the undersigned as soon as possible, but before the date set forth on the bottom of the Acceptance Form.

Be sure to include proofs of delivery as well as invoices and statements or any other substantiation of your claims that will reduce the possibility of objection.

Thank you for your patience and support. Should you have any questions, please do not hesitate to call.

Sincerely yours,

Michael E. Moecker
Agent for the Creditors' Committee

MEM

COMPOSITION OF CREDITORS AGREEMENT

OF

R. T. INDUSTRIES, INC.,
a Delaware corporation,

and its Subsidiaries,

ROINCO MANUFACTURING, INC.,

ULTRA BRAKE CORPORATION,

and

R. T. FRICTION, INC.

DATED JANUARY 27, 1995

COMPOSITION OF CREDITORS AGREEMENT

THIS COMPOSITION OF CREDITORS AGREEMENT (the "Composition Agreement") is dated this 27 day of January, 1995, by and between **R. T. INDUSTRIES, INC.**, a Delaware corporation (the "COMPANY"), and its Subsidiaries, namely, **ROINCO MANUFACTURING, INC., ULTRA BRAKE CORPORATION, and R. T. FRICTION, INC.** (the "SUBSIDIARIES"). The COMPANY and its SUBSIDIARIES shall be referred to herein collectively as the "DEBTOR"); the **UNOFFICIAL COMMITTEE OF UNSECURED CREDITORS** (the "COMMITTEE"), and each of the unsecured trade creditors of the DEBTOR to whom the DEBTOR is presently indebted (each hereinafter a "CREDITOR") who shall enter into this Composition Agreement by **(a)** assenting hereto upon **(i)** a separate written, signed instrument in the form attached hereto as **Schedule I**, or **(ii)** any other properly subscribed writing sufficient in the sole judgment of the COMMITTEE to bind such CREDITOR thereto, or **(b)** the negotiation by such CREDITOR of any check distributed hereunder delivered with covering correspondence reciting that negotiation thereof constitutes assent to the terms of this Composition Agreement. (Each and all such accepting trade creditors are hereinafter referred to as "ACCEPTING CREDITOR(S)").

RECITALS:

A. The DEBTOR is presently indebted to its CREDITORS for goods and services obtained by the DEBTOR prior to July 18, 1994, as set forth on the DEBTOR's List of Creditors.

B. A general meeting of CREDITORS was called by the DEBTOR for the purposes of discussing a composition plan of payment to ACCEPTING CREDITORS and was held on or about

September 23, 1994, and the COMMITTEE was elected, which is now composed of those entities set forth on **Schedule H.**

C. The COMMITTEE has retained ACKERMAN, BAKST AND CLOYD, P.A., 2450 Metrocentre Boulevard, West Palm Beach, Florida 33407, and its counsel ("COMMITTEE's Counsel"), and MICHAEL MOECKER & ASSOCIATES, 3123 Commerce Parkway, Miramar, Florida 33025, as its agent ("AGENT").

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

ARTICLE 1.

PAYMENT PLAN

1.1 Payment Options.

It is hereby agreed among the DEBTOR and the COMMITTEE that each of the CREDITORS who shall choose to be an ACCEPTING CREDITOR, shall be paid in full satisfaction, release and waiver of their claims against the DEBTOR, the sum computed pursuant to one of the following payment options as selected by each ACCEPTING CREDITOR:

(a) Payment Option No. 1 - Cash in the amount of thirty-five percent (35%) of the CREDITORS' full claims ($.35 for each $1.00) owed, to be paid in cash in full within ten (10) days after the Effective Date, as hereinafter defined.

(b) Payment Option No. 2 - One hundred percent (100%) of the CREDITORS' full claim, payable as follows:

(i) Five percent (5%) of the claim within ten (10) days after the Effective Date;

(ii) Five percent (5%) of the claim within six (6) months and twelve (12) months, respectively, after the Effective Date;

(iii) Seven and one-half percent (7-1/2%) of the claim within eighteen (18) months and twenty-four (24) months, respectively, after the Effective Date; and

(iv) Ten percent (10%) of the claim within thirty (30) months, thirty-six (36) months, forty-two (42) months, and forty-eight (48) months, respectively, after the Effective Date; and

(v) Fifteen percent (15%) of the claim within fifty-four (54) months and sixty (60) months, respectively, after the Effective Date.

In addition, if the net income after taxes of the COMPANY and its SUBSIDIARIES on a consolidated basis exceed $1,000,000.00 in any fiscal year (excluding any gain realized as a result of the composition with creditors), fifty percent (50%) of the excess will be paid to the CREDITORS accepting this Payment Option No. 2 and applied to the installment payments due in inverse order of the due dates.

1.2 **Method of Payment.**

Within ten (10) days of the Effective Date, the DEBTOR shall deliver to the AGENT a certified check, bank cashier's check or DEBTOR's Counsel's trust check in an amount equal to the aggregate total of all cash payments due to all CREDITORS based upon the payment option selected by each CREDITOR and computed pursuant to Section 1.1 hereof. COMMITTEE's Counsel shall then arrange for payment to be made to the individual CREDITORS by the AGENT. Not less than three (3) days prior to the date each deferred payment under Section 1.1 under Payment Option No. 2 is due, the DEBTOR shall deliver to COMMITTEE's Counsel a certified check, bank cashier's check or DEBTOR's Counsel's trust check in an amount equal to the aggregate total of all deferred payments next falling due.

1.3 **Payments to Professionals.**

The DEBTOR acknowledges and agrees that COMMITTEE's Counsel and the AGENT have and will render legal and administrative services to the COMMITTEE in regard to the investigation, preparation, negotiation and implementation of this Composition Agreement, and the consummation and enforcement of the transactions to which it relates and the resolution of any disputes arising hereunder. The DEBTOR shall pay reasonable professional fees and administration

expenses incurred by each for such purposes, not to exceed $60,000.00 in the aggregate from and after the Effective Date.

1.4 Ambiguous Acceptance.

In the event the ACCEPTING CREDITOR fails to clearly mark which pay-out option it desires, such CREDITOR shall be conclusively deemed to have accepted Payment Option No. 1 as set forth in Section 1.1(a).

ARTICLE 2.

DEPOSIT

2.1 To secure the performance by the DEBTOR of its obligations due ACCEPTING CREDITORS pursuant to this Composition Agreement, on September 24, 1994, the DEBTOR deposited the sum of $100,000.00 with the AGENT, which in turn was deposited into an interest-bearing account by the AGENT. In addition, the sum of $750,000.00 has been deposited in escrow in an interest-bearing Trust Account of the DEBTOR's counsel, Schantz, Schatzman, Aaronson & Cahan, P.A. The DEBTOR also has received a commitment from a lending institution for an advance in the sum of $200,000.00. The aggregate of $1,050,00000 will be sufficient to fund the amount required to pay the CREDITORS the full amount under Payment Option No. 1, if selected, and to fund the initial payment under Payment Option No. 2, if selected.

2.2 If this Composition Agreement is accepted by the requisite percentage of the CREDITORS, the said deposit and amounts held in escrow, together with the loan advance, shall be applied by AGENT on account of the payments required to be made to ACCEPTING CREDITORS within ten (10) days after the Effective Date of this Composition Agreement.

2.3 Should CREDITORS fail to accept this Composition Agreement on or prior to the date specified in the Acceptance Form, then the One Hundred Thousand Dollars ($100,000.00) deposited with the AGENT, together with the Seven Hundred Fifty Thousand Dollars ($750,000.00) held in escrow, shall be returned to the DEBTOR, together with interest earned thereon. DEBTOR

may, at its option, extend the time period for acceptance referred to in this Section 2.3 for an additional fifteen (15) days.

2.4 All interest earned on the deposit and the sums held in escrow shall belong to the DEBTOR, and shall be applied toward payment of the amounts due to CREDITORS, pursuant to the terms of this Composition Agreement.

2.5 The parties agree that the liability of the AGENT to the parties hereto shall be only as expressed in Section 10.2 of this Composition Agreement.

ARTICLE 3.

ACCEPTANCE AND EFFECTIVE DATE

3.1 **Acceptance.**

The COMMITTEE shall circulate a letter to all CREDITORS indicating the COMMITTEE's opinion that the settlement options set forth in Article I, Sections 1.1(a) and 1.1(b) are fair and in excess of what probably would be recovered in a liquidation. Said letter shall further specifically advise that acceptance of this Composition Agreement is in full satisfaction of all claims and invite each CREDITOR to consent to the Composition Agreement and to one of the payment options. The COMMITTEE, however, reserves the right to advise CREDITORS to make their own investigations and judgments in regard to the options each may select.

3.2 **Effective Date.**

The Effective Date shall be and this Composition Agreement shall be effective upon the notification to the DEBTOR by COMMITTEE's Counsel that claims totalling ninety percent (90%) in dollar amount of all claims of the CREDITORS have submitted an executed acceptance. In the event that acceptances aggregating ninety percent (90%) in dollar amount of all claims are not received on or prior to the date specified on the Acceptance Form, then this Composition Agreement shall be of no further force and effect and the CREDITORS may exercise any and all rights and remedies available to them by law.

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The DEBTOR warrants and covenants, on a continuing basis, that:

4.1 Organization and Corporate Power.

(a) The COMPANY and its SUBSIDIARIES are each a corporation duly organized, validly existing and in good standing under the laws of the respective jurisdictions in which organized;

(b) The COMPANY and the SUBSIDIARIES each have the corporate power and authority to own good and marketable title to the properties and assets of each and to carry on its business as is now being conducted;

(c) The COMPANY and its SUBSIDIARIES are each duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where an office is maintained for the conduct of its business or where the nature of its business or assets requires such qualification and as to which a failure to be qualified would have a materially adverse effect upon the business of the DEBTOR; and

(d) The COMPANY and its SUBSIDIARIES each have the corporate power to execute, deliver and perform the obligations agreed to by each under this Composition Agreement.

4.2 Authorization.

The execution, delivery and performance of this Composition Agreement by the COMPANY and each of the SUBSIDIARIES and the transactions contemplated hereby:

(a) are within their respective powers, have been duly authorized by all necessary corporation action, and do not and will not contravene any provision of law applicable to each of them or any contractual restriction binding on or affecting either of them;

(b) do not require any approval of or consent of or filing with any governmental agency or authority, and such instruments which are required by law or by the regulation of any such agency or authority to be approved or consented to by any such agency or authority have been

so approved and consented to, and are not in contravention of the terms of their respective charter, by-laws or any amendments thereof;

(c) do not and will not conflict with or result in any breach, default, Event of Default or controvert the terms of any lien or other obligation under any indenture, agreement, lease, loan, instrument or undertaking to which either the COMPANY or any of the SUBSIDIARIES is a party or by which any of them may be bound and which are material to their respective businesses;

(d) are and will be valid and legal binding obligations of the COMPANY and its SUBSIDIARIES, and when fully executed, will be enforceable in accordance with their respective terms.

4.3 Other Agreements.

Neither the COMPANY nor any of its SUBSIDIARIES is a party to any agreement, contract, loan, lease, guaranty, or instrument or subject to any charter or other corporate restriction materially affecting its business, property or assets, operations or condition (financial or otherwise), which will or may impair its ability to make the payments or perform the obligations set forth herein.

4.4 Payment of Taxes.

There are no unpaid taxes or tax liens in any amount claimed to be due by any taxing authority or any other agency having jurisdiction over the COMPANY or its SUBSIDIARIES or any of their assets.

ARTICLE 5.

REPRESENTATIONS OF THE COMMITTEE

5.1 Acceptance of COMMITTEE.

The COMMITTEE represents to the DEBTOR that the CREDITORS named in **Schedule II** herewith agree to serve as members of the COMMITTEE and accept their appointment on the COMMITTEE, with all the rights, privileges, powers, authorities and immunities vested in

the COMMITTEE during the term of this Composition Agreement until such time as they have been paid in full under the payment option selected by each. Each member of the COMMITTEE shall be free, from time to time, to name the person who shall act on its behalf on the COMMITTEE.

5.2 Execution of the Composition Agreement.

The Chairman of the COMMITTEE designated in **Schedule II** shall execute this Composition Agreement. Each COMMITTEE member, upon receipt of such authorization as may be required by its charter, by-laws and internal policies, shall accept this Composition Agreement on its own behalf and evidence such acceptance by execution of an acceptance as set forth in **Schedule I.**

5.3 No Compensation.

The COMMITTEE, and each of its members, have agreed to serve as COMMITTEE members without compensation, but shall be reimbursed for reasonable expenses incurred in the course of their duties.

ARTICLE 6.

INDEMNIFICATION

6.1 Scope of Indemnity.

The DEBTOR and each of the CREDITORS accepting this Composition Agreement herewith agree to indemnify, defend, save and hold harmless the AGENT, the COMMITTEE and each of its members, from and each of the foregoing, shall not be liable to the DEBTOR and/or any of the CREDITORS for (1) any action or failure to act of the COMMITTEE or (2) the acts, default, or misconduct of any other member of the COMMITTEE hereunder; except that a member of the COMMITTEE shall be liable for his or her own willful misconduct or gross negligence. The COMMITTEE and its members shall not be answerable for the acts, default or misconduct of any agency or other person employed by it or any of them, if selected with reasonable care.

6.2 No Assumed Liability.

Each member of the COMMITTEE assumes no responsibility for the execution of this Composition Agreement by persons other than the COMMITTEE member itself, or for the acceptance hereof or the performance of the agreements embodied herein by persons other than each COMMITTEE member.

6.3 No Bonds.

The COMMITTEE and its members and the AGENT shall in no event be required to give or post any bond or surety for the assurance, insurance or other surety for the performance of its or their duties.

ARTICLE 7.

COMMITTEE ACTIONS

7.1 Duties and Powers of the COMMITTEE.

The COMMITTEE, for itself and its successors, shall act by majority vote as the COMMITTEE hereunder. The COMMITTEE has been and continues to be authorized to employ counsel, accountants and the AGENT (herein jointly "Professionals") as it deems appropriate. The COMMITTEE shall have the privileges, powers, authorities and immunities given to and vested in the COMMITTEE as set forth in this Composition Agreement which shall include, but are not limited to: (1) the power and authority to declare or waive defaults and Events of Default hereunder; (2) extend the DEBTOR's time for performance or payment hereunder for such time or times as it deems reasonable; (3) consent or decline to consent to the actions of the DEBTOR to the extent such actions or failure to act by the DEBTOR will, in the COMMITTEE's reasonable opinion, affect or impact upon the DEBTOR's performance under this Composition agreement; (4) authorize and cause the collection from the DEBTOR and the payment of the COMMITTEE's expenses, including its reasonable professional fees, including, without limitation, reasonable counsel, accountants, and AGENT's fees, and the expenses of the AGENT from the funds supplied by the DEBTOR; (5) bring, prosecute and defend on behalf of the CREDITORS and the

COMMITTEE any suits or actions necessary to enforce this Composition Agreement and/or any other rights which CREDITORS may have under law which are delegated or assigned to the COMMITTEE hereunder, join in any suit or action to enforce any rights of the DEBTOR which may materially improve the position of or payment to CREDITORS hereunder; and (6) appoint and discharge, without cause and in its discretion, the AGENT designated hereunder.

7.2 COMMITTEE Service.

Each member of the COMMITTEE shall serve until such time as the payment option selected by it under Article 1 has been paid in full. Upon receipt of payment in full, the COMMITTEE member's service shall be conclusively deemed to have been completed and each such member shall be discharged from any and all liability hereunder. Upon payment to all members of the COMMITTEE of the sums due each under the payment option selected by each, the COMMITTEE shall be disbanded and have no further duties hereunder.

7.3 Individual Dealings Between COMMITTEE Members and the DEBTOR.

Nothing herein contained shall in any way limit or prohibit or otherwise require any action by any member of the COMMITTEE as an individual supplier of goods or services to the DEBTOR.

ARTICLE 8.

COMPUTATION OF CLAIMS

8.1 All Computations by COMMITTEE's Accountants.

All computations of the amount of each claim of ACCEPTING CREDITORS as referred to above and the total of all claims due CREDITORS hereunder and the aggregate total of all claims hereunder and all cash and deferred payments, shall be reconciled and/or verified, from time to time, by the COMMITTEE's accountants. All unreconciled claims shall be fixed and resolved by Lawrence M. Schantz, Esquire, a member of Counsel to the DEBTOR ("DEBTOR's Counsel"), and Daniel Bakst, Esquire, a member of COMMITTEE's Counsel, acting together. If they cannot agree, they shall mutually select an independent third party to resolve the contested

claim(s). All ACCEPTING CREDITORS agree to be bound by the resolution of claim(s) process set forth in this Section 8.1.

8.2 Claims.

The total claim of each CREDITOR shall be in an amount equal to the total sums due it by the DEBTOR for all goods obtained from said CREDITOR by the DEBTOR on or before July 18, 1994, (a) without interest or late charges and without any allowance for the amount of volume rebates, advertising allowances, or other adjustments (collectively, "Rebates"); and (b) computed on the same terms as that required by contract or the CREDITOR's invoice and, if payable in other than United States currency, at the rate of exchange published in the Wall Street Journal for the currency of each CREDITOR on the Effective Date. Nothing herein contained shall be deemed to alter any CREDITOR's program or policies in regard to such Rebates or the terms of such contract or invoice, except as specifically set forth herein.

8.3 Insider and Business Entity Claims Subordinated.

Notwithstanding anything to the contrary herein contained, upon the Effective Date, all liabilities and obligations of the DEBTOR due each related party, the assignees, successors, heirs and beneficiaries thereof and all members of the family of each and all companies, partnerships, trusts, joint ventures, proprietorships, and other business ventures owned or controlled, directly or indirectly by any of the foregoing shall be subordinated to the indebtedness due to each ACCEPTING CREDITOR under this Composition Agreement. This subordination shall be and remain effective only to the extent of and until the deferred payments required under Section 1.1 have been paid in full, in accordance with the terms hereof.

8.4 List of ACCEPTING CREDITORS.

The DEBTOR has prepared a list of all of its CREDITORS together with the total claims due to each CREDITOR. The accountants for the COMMITTEE shall augment such list to show the amount claimed by each CREDITOR, the payment option selected by each CREDITOR, the percentage due each, the computation of the amount of each payment to be made to each under the payment option selected and the gross total amount of each payment to be made to the AGENT.

ARTICLE 9.

PAYMENT TO UNSECURED CREDITORS

9.1 Payments.

(a) The DEBTOR shall make all payments due under this Composition Agreement to the AGENT in immediately available funds at least three (3) days prior to the due date thereof.

(b) Prior to the execution and delivery of this Composition Agreement, the DEBTOR delivered the sum of One Hundred Thousand Dollars ($100,000.00) to the AGENT, and has deposited the sum of $750,000.00 in escrow in a Trust Account of DEBTOR's counsel.

(c) Within ten (10) business days after the Effective Date, the DEBTOR agrees to pay to the AGENT the balance of all sums necessary to pay the ACCEPTING CREDITORS the cash payment due upon the option selected by each pursuant to Section 1.1 computed upon the amount claimed in the acceptance in cash or certified funds.

(d) The DEBTOR agrees to pay to the AGENT all sums necessary to make each deferred payment at least three (3) days prior to the dates set forth in Section 1.1 computed on the basis of the amount of all claims as reconciled.

(e) In the event any ACCEPTING CREDITOR's claim is not reconciled and finally determined on the date a payment is to be made by the AGENT, the AGENT shall make such payment in the percentage required under the payment option selected by the ACCEPTING CREDITOR times the indebtedness due that CREDITOR as reflected on DEBTOR's List of Creditors. The AGENT shall hold in reserve sufficient sums to pay the balance of the percentage due on any excess until such claim is finally determined in accordance with Section 8.1. Upon such final determination, the AGENT shall pay any balance determined due to the affected CREDITOR.

(f) Any partial payment or prepayment received by the AGENT, other than the deposit set forth in Article 2, shall be distributed to ACCEPTING CREDITORS pro rata in the same percentages as the payment next due each under Article 1 bears to the total of all payments

next due all ACCEPTING CREDITORS. Any excess funds shall be applied to the next payment due.

9.2 Prepayment.

The DEBTOR may prepay all deferred payments required hereunder in full at any time without penalty. The DEBTOR may also prepay any portion of the indebtedness at any time without penalty.

9.3 Forbearance and Forgiveness of Interest.

Each CREDITOR shall accept from the DEBTOR the consideration and payments received under this Composition Agreement in full settlement, compromise and release of its claim. In consideration thereof, each CREDITOR agrees to forebear and take no action against DEBTOR and to hold in abeyance any existing action in respect to its claim and waives its right to file any involuntary proceeding in bankruptcy against the DEBTOR so long as DEBTOR shall fully and promptly pay and perform all of its obligations hereunder.

Until this Composition Agreement becomes effective, each CREDITOR reserves and the DEBTOR extends the time in which each CREDITOR may enforce any and all of its rights and/or remedies to enforce any security right and/or liens, if any. Each ACCEPTING CREDITOR shall, however, discontinue without prejudice any pending action, proceeding or arbitration against the DEBTOR upon the DEBTOR'S payment to the AGENT of the cash payment required under Section 1.1.

9.4 Payments for Current Goods and Services.

Nothing herein shall be deemed to excuse the DEBTOR of its obligation to make payment for goods or services obtained from any CREDITOR on or after July 18, 1994, upon such terms as each may choose to make available to the DEBTOR, nor shall anything contained herein be deemed to require any particular CREDITOR to extend further or additional credit to the DEBTOR.

FMSI 08839

ARTICLE 10.

THE AGENT

10.1 Agency Agreement of the CREDITORS Accepting the Composition Agreement.

By acceptance of this Composition Agreement, each of the CREDITORS irrevocably designates the COMMITTEE, for so long as the same may continue to act and the AGENT to act as its agent and authorizes each to take such actions as agent on behalf of each of the CREDITORS and to exercise such powers under this Composition Agreement as are contained herein, necessary to administer and enforce this Composition Agreement, and all remedies provided and with such other powers as are reasonably incidental thereto.

10.2 AGENT's Agreement.

(a) Each CREDITOR, by its acceptance of this Composition Agreement, designates MICHAEL MOECKER & ASSOCIATES and any successor appointed hereunder as its AGENT to hold and disburse the payments due to the ACCEPTING CREDITORS pursuant to the terms hereof.

(b) The AGENT shall collect and remit to each of the CREDITORS, all at the direction of the COMMITTEE or in compliance herewith, each CREDITORS' respective share of all payments then due each and proceeds received, if any, without interest in accordance with this Composition Agreement.

(c) The AGENT shall be paid a fee for services rendered and shall be entitled to reimbursement for all reasonable expenses incurred by it including reasonable attorney's fees.

(d) The AGENT, at the time of remitting proceeds, shall account to the COMMITTEE, or if there be none, all ACCEPTING CREDITORS who have yet to be paid the full sum due each under the payment option selected by each (remaining CREDITORS), on all distributions to the CREDITORS. The COMMITTEE and the DEBTOR shall have access to and the right to inspect all records of the AGENT associated with the duties herein. The AGENT may consult with counsel and accountants and shall not be liable for any action taken or suffered to be taken in good faith in accordance with the advice of the counsel and accountants.

(e) Provided the AGENT shall promptly transmit to the COMMITTEE or if there be none, to the remaining CREDITORS, true and full copies of all documents, instruments, reports and notices received, and act upon the COMMITTEE's, or if there be none, the remaining CREDITORS' instructions, the AGENT shall have no duty to examine or pass upon the validity, genuineness, value or appropriateness thereof and the AGENT shall be entitled to assume that the same are valid, effective, genuine and proper in all respects and what they purport to be.

(f) In the event the AGENT is unwilling or unable to serve the COMMITTEE or if there be none, the remaining CREDITORS, shall choose a successor agent by vote of a majority of the COMMITTEE's members or the remaining CREDITORS, as applicable, upon five (5) days prior written notice of such vote.

(g) The AGENT shall be held harmless from any acts or omissions made or not made in connection with his duties as AGENT under this Composition Agreement, and shall not be liable for any error in judgment or mistake except such acts or omissions resulting from the AGENT's gross negligence or willful misconduct.

(h) Each of the CREDITORS hereby agrees to hold the AGENT harmless from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which are or may be imposed on or incurred by or asserted against the AGENT in any way relating to or arising out of this Composition Agreement or an action taken or omitted to be taken by the AGENT in conjunction with his duties, provided that such indemnity shall exclude any portion of such liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses, or disbursements resulting from the AGENT's gross negligence or willful misconduct.

(i) In the event that no COMMITTEE is serving hereunder, the AGENT shall not be required to take any action hereunder except at the direction of the majority of the remaining CREDITORS and the agreement of each such CREDITOR to pay the AGENT's reasonable expenses, counsel and accounting fees incurred in such action(s) and the deposit of such indemnities as the AGENT may reasonably request.

ARTICLE 11.

AGREEMENTS OF THE DEBTOR

11.1 Agreement of the DEBTOR.

The DEBTOR covenants and agrees, for the benefit of all ACCEPTING CREDITORS, to timely pay all sums of money and to promptly perform all duties owed to each of the CREDITORS, to the AGENT and refrain from all actions prohibited hereunder.

11.2 Affirmative Covenants.

Except as otherwise expressly permitted under this Composition Agreement, during the term hereof, the DEBTOR shall:

(a) Keep all such books of accounts or other records of acts, property and transactions including assets, liabilities, revenues, and expenses as may be required by law in accordance with generally accepted accounting principles consistently applied. The DEBTOR shall furnish the COMMITTEE and the AGENT with copies of all financial statements and other reports filed with the Securities and Exchange Commission;

(b) Pay all of its indebtedness and perform all of its obligations in accordance with normal business practices and within the terms of such indebtedness or obligation, provided, however, that the failure to pay or perform that which is subject to actual, reasonable and material dispute shall.not be a default or Event of Default, of the same is being negotiated in accordance with normal terms or is the subject of pending litigation and the Debtor has set aside adequate reserves to pay the same;

(c) Pay and discharge or cause to be paid and discharged promptly when due, all taxes, assessment and governmental charges or levies upon any of its property, whether real, personal or mixed, or upon any part thereof, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, will or may become a lien or charge upon such properties or any part thereof; provided, however, that if the DEBTOR has posted a bond or undertaking in the full amount of such liability and is contesting the same by timely and appropriate litigation based

upon a reasonable and material dispute before a court or agency having competent jurisdiction, such failure to pay shall not constitute an Event of Default hereunder;

(d) Promptly notify the COMMITTEE and the AGENT of any litigation in which the DEBTOR is a party which involves a claim in excess of Fifteen Thousand Dollars ($15,000.00), together with the substance of the contentions of the litigating parties;

(e) Promptly notify the COMMITTEE and the AGENT of any Event of Default or upon learning of any fact, circumstance, act or omission, which with the passage of time or the giving of notice or both, would constitute such Event of Default;

(f) Promptly notify the COMMITTEE and the AGENT of material adverse (i) administrative proceedings, or (ii) change in its financial or operating condition;

(g) Maintain compliance in all material respects with all applicable laws, regulations, ordinances, rules and orders;

(h) Maintain properties which are material to the DEBTOR in good repair, working order and condition and make all needful and proper repairs, replacement, additions and improvement thereto as are necessary for the conduct of its business;

(i) Maintain adequate workman's compensation, employee fidelity, liability and casualty insurance with nationally known carriers licensed to do business in Florida, to insure against such liabilities and losses in such amounts as may be reasonable for a like business and supply the AGENT with copies of all such insurance on request;

(j) Cooperate with the COMMITTEE and the AGENT and execute, acknowledge (if appropriate) and deliver such further instruments and documents, and take such other action as the COMMITTEE and the AGENT shall reasonably request to carry out to its satisfaction the transactions contemplated by this Composition Agreement; and

(k) Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualifications is necessary and desirable in view of its business and operations or the ownership of its property.

11.3 Negative Covenants of the COMPANY and SUBSIDIARIES.

Until such time as all payments to CREDITORS are made in full as provided under Section 1.1 hereof, neither the COMPANY nor any of its SUBSIDIARIES shall, without the prior written consent of the COMMITTEE or the AGENT (if no COMMITTEE is then serving) which shall not be unreasonably withheld:

(a) liquidate, dissolve or enter into any consideration, acquisition or merger; or

(b) declare any cash or asset dividend in favor of any holder of its stock; or

(c) sell or otherwise dispose of any of its assets outside the ordinary course of business for less than fair consideration except to terminate leases, with the COMMITTEE's consent, which shall not be unreasonably withheld, if such termination is in the best interest of the DEBTOR and its CREDITORS; or

(d) assume, guarantee, endorse, or otherwise become directly or contingently liable in connection with any indebtedness of any other person, except:

(A) guaranties of endorsement of negotiable instruments for deposit or collection in the ordinary course of business; and

(B) renewal of existing indebtedness.

ARTICLE 12.

DEFAULT

12.1 Events of Default.

The occurrence of any one or more of the following events, shall constitute an Event of Default by the DEBTOR under this Composition Agreement:

(a) The DEBTOR's failure to make any cash or deferred payment under this Composition Agreement within twenty (20) business days of the date it is due, and to pay any other amount due hereunder within five (5) business days of the due date;

(b) If any representation or warranty made herein or in any other document delivered to the COMMITTEE or its Professionals by the DEBTOR shall prove to be false or misleading in any material respect;

(c) The failure of the DEBTOR to observe or perform any affirmative or negative covenant contained herein;

(d) If the COMPANY or any SUBSIDIARY shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of its properties or assets, (ii) admit in writing after the Effective Date its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation proceeding by law, statute, or otherwise, or submit any answer admitting that the material allegations of the petition filed against the DEBTOR in any proceeding under any such law or, (vi) permit the filing of any involuntary bankruptcy petition against the DEBTOR or the parent to exist unless dismissed or terminated favorably within sixty (60) days, except as may be expressly permitted in Article 14 of this Composition Agreement;

(e) An order, judgment or decree shall have been entered without the application, approval or consent of the COMPANY or any of its SUBSIDIARIES by any court of competent jurisdiction, approving a petition seeking reorganization of the COMPANY or of all or a substantial part of its properties or assets, or appointing a receiver, trustee or liquidator of the COMPANY or any of its SUBSIDIARIES or a substantial part of the property of either and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) days;

(f) The entry of one or more final judgments for the payment of money against the COMPANY or any of its SUBSIDIARIES for sums in the aggregate in excess of $15,000.00, which shall remain undischarged for a period of thirty (30) days, unless the same is subject to an appeal and a bond is posted to stay execution;

(g) The seizure of any property of the COMPANY or any of its SUBSIDIARIES by any court enforcement officer or a creditor;

(h) The failure of this Composition Agreement to become effective for any reason other than the failure of the CREDITORS to accept the same;

(i) The failure of the COMPANY or any of its SUBSIDIARIES to observe or perform any other covenant contained herein; or

(j) The entry of any Order of a Court of competent jurisdiction requiring the repayment to the DEBTOR, its Trustee, its estate, or any other person or entity claiming to render a right derived from, through, or under the COMPANY or any of its SUBSIDIARIES or the shareholders of either, of any sum paid any ACCEPTING CREDITOR hereunder.

12.2 Declaration of Default.

(a) Upon the occurrence of any Event of Default as set forth in Section 12.1, upon ten (10) days' written or telephonic notice from Counsel to the COMMITTEE to Counsel for the DEBTOR, and the DEBTOR, this Composition Agreement may be declared to be in default ("Declaration of Default") and all remedies provided for in Article 13 hereof may be enforced.

(b) Upon the occurrence of any Event of Default as set forth in Section 12.1, upon ten (10) days' written notice from the COMMITTEE's Counsel to the DEBTOR and DEBTOR's Counsel, a Declaration of Default may be declared hereunder. The DEBTOR shall be permitted to cure such default in the ten (10) day notice period above. If the DEBTOR shall fail to cure such default within the ten (10) day notice period or undertake by appropriate action to cure and diligently pursue and ultimately effect such cure within thirty (30) days of the Event of Default, this Composition Agreement shall be in default and all remedies provided for in Article 13 hereof may be enforced.

12.3 Declaration and Enforcement.

The COMMITTEE, so long as it shall serve herein, shall have the sole right to declare a default hereunder. If no COMMITTEE shall be then serving hereunder, the AGENT and/or any remaining CREDITOR may declare any default and enforce the provisions hereof.

ARTICLE 13.

REMEDIES

13.1 Enforcement of Composition Agreement.

Upon the Declaration of a Default, and the failure to cure a default within the applicable grace period, if any, then at any time thereafter, the COMMITTEE or the AGENT may, without further notice, take any and/or all of the following actions, on behalf of all the CREDITORS and all other creditors that have designated the COMMITTEE to act in their place and stead, at the same or different times:

(a) accelerate all obligations due hereunder, and enforce any and all rights each and every CREDITOR may have hereunder at law or in equity in one or more actions, in the COMMITTEE's name or the name of the AGENT, or the name of all ACCEPTING CREDITORS, on behalf of all ACCEPTING CREDITORS; and

(b) Terminate this Composition Agreement and enforce all rights of each and every CREDITOR at law or in equity; and

(c) File a petition for relief under any appropriate provision of the Bankruptcy Code against the DEBTOR on behalf of all ACCEPTING CREDITORS; and

(d) Exercise all rights granted ACCEPTING CREDITORS under this Composition Agreement; and

(e) Exercise any and all other rights and privileges otherwise available to each of the CREDITORS.

13.2 Enforcement by Remaining CREDITORS.

If no COMMITTEE shall be sitting on the date of the occurrence of any Event of Default hereunder, then each remaining CREDITOR shall be free to enforce all remedies under Section 13.1(a) (b), (d) and (e) solely as to itself.

ARTICLE 14.

BANKRUPTCY CONSIDERATIONS

14.1 Filing Under the Bankruptcy Code.

In the event that a petition is filed against the DEBTOR or the DEBTOR files a petition for relief under the Code, it shall file or convert such proceeding to a proceeding for relief under Chapter 11 of the Code and shall consent to the immediate appointment of each member of the COMMITTEE as a member of the COMMITTEE in such proceeding.

14.2 Effect of Bankruptcy or Other DEBTOR's Relief.

In the event that the DEBTOR becomes a debtor-in-possession or a bankrupt under Title 11 of Chapter 11 of the Bankruptcy Code, or if the DEBTOR seeks or accepts the benefit of any DEBTOR's relief proceeding under any other federal or state law or statute, or if the DEBTOR shall make an assignment for the benefit of its CREDITORS, then the DEBTOR and each ACCEPTING CREDITOR agree to support any plan of the DEBTOR and the COMMITTEE providing for payment of claims to CREDITORS on confirmation equal to those which would otherwise be due under this Composition Agreement, and granting the CREDITORS' terms equal to those contained in this Composition Agreement, as determined in the reasonable judgment and discretion of the COMMITTEE. Full disclosure having been made hereunder, each of the ACCEPTING CREDITORS shall be deemed to have accepted a plan of reorganization or liquidation approved or filed by the COMMITTEE within seven (7) months of the execution of this Composition Agreement without the need for a further separate acceptance, and the COMMITTEE may file the **Schedule "I"** acceptance of each CREDITOR hereto as such CREDITOR's acceptance of such plan. The COMMITTEE is irrevocably authorized by each of the ACCEPTING CREDITORS to cast each of the CREDITORS' ballot in favor of such plan.

ARTICLE 15.

MISCELLANEOUS

15.1 Applicable Law.

This Composition Agreement and all Schedules hereto shall be construed in accordance with and governed by the laws of the State of Florida.

15.2 Notices.

Any notices shall be conclusively deemed to have been received by a party hereto and be effective on the earlier of the day it is (i) received at, or (ii) five (5) business days following its mailing, certified mail, return receipt requested, to such party at the address set forth below, or at such other address as such party shall specify to the other party in writing, at said address:

If to the DEBTOR or any of its SUBSIDIARIES:	**Ronald Tygar, President 751 Park of Commerce Drive Suite #104 Boca Raton, Florida 33487**
With a copy to:	**Lawrence M. Schantz, Esquire Schantz, Schatzman, Aaronson & Cahan, P.A. Suite 3650, First Union Financial Center Miami, Florida 33131-2394 Telephone: (305) 371-3100 Telefax: (305) 371-2024**
If to the COMMITTEE:	**Chairman of the Creditors' Committee Mr. Donald K. Jackson Parkview Capital Corp. 121 King Street West, Suite 2525 Toronto, Ontario, Canada M5H 3T9**
With a copy to:	**Daniel L. Bakst, Esquire Ackerman, Bakst and Cloyd, P.A. 2450 Metrocentre Boulevard West Palm Beach, Florida 33407**
If to AGENT:	**Mr. Michael Moecker Michael Moecker & Associates 3123 Commerce Parkway Miramar, Florida 33025**
If to an ACCEPTING CREDITOR:	**To the address set forth on its Schedule I Acceptance Form.**

A party's notice address may be changed by giving written notice of such change in compliance with this Section 15.2

15.3 Survival of Composition Agreement.

All covenants, agreements, representations and warranties made herein and in any other documents delivered pursuant hereto shall survive the transactions herein contemplated and the obligations herein created, and shall continue in full force and effect so long as any sums due under this Composition Agreement are outstanding and unpaid. Whenever in this Composition Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the DEBTOR and its SUBSIDIARIES which are contained in this Composition Agreement shall bind each DEBTOR to its SUBSIDIARIES jointly and severally and inure to the benefit of the successors and assigns of each and of the COMMITTEE and each ACCEPTING CREDITOR.

15.4 Waiver.

Neither the failure nor any delay on the part of the COMMITTEE or any remaining CREDITOR in exercising any right, power or privilege hereunder or under any documents executed and delivered in accordance with the Composition Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. No modification, amendment or waiver of any provision of this Composition Agreement nor consent to any departure by the DEBTOR herefrom shall in any event be effective unless the same shall be in writing and signed by the COMMITTEE, or each affected remaining CREDITOR, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the DEBTOR in any case shall entitle the DEBTOR to any other and further notice or demand in the same, similar or other circumstances.

15.5 Severability.

The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Composition Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Composition Agreement or any part thereof.

15.6 Entire Agreement, Amendments.

This Composition Agreement and the Schedules hereto constitute the entire agreement between the parties and all ACCEPTING CREDITORS with respect to the subject matter herein contained. No amendments, changes, modifications, alterations or terminations of this Composition Agreement shall be made except upon written consent of the DEBTOR and the COMMITTEE.

15.7 Counterparts.

This Composition Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement. This Composition Agreement shall be effective when counterparts which, when taken together, bearing the signatures of all the parties hereto, shall have been delivered to the COMMITTEE and the DEBTOR.

15.8 Titles.

The titles to each Section and Article hereof are for convenience sake only and shall not be considered in the interpretation of this Composition Agreement.

IN WITNESS WHEREOF, the DEBTOR, the COMMITTEE and the AGENT have caused this Composition Agreement to be duly executed by their duly authorized officers, all as of the year first above written.

[DEBTOR:]

DATED: January 20, 1995

R. T. INDUSTRIES, INC.

Witness
Print Name: Bernard H. Bard

By: _____
Print Name: RONALD TYGAR
As its: President

Witness
Print Name: Floyd Raines

[DEBTOR:]

DATED: January 20, 1995

ROINCO MANUFACTURING, INC.

Witness
Print Name: Bernard H Bard

Witness
Print Name: Floyd Reines

By: _____
Print Name: RONALD TYGAR
As its: President

DATED: January 20, 1995

ULTRA BRAKE CORPORATION

Witness
Print Name: Bernard H. Bard

Witness
Print Name: Floyd Reines

By: _____
Print Name: RONALD TYGAR
As its: President

DATED: January 20, 1995

R. T. FRICTION, INC.

Witness
Print Name: Bernard H Bard

Witness
Print Name: Floyd Reines

By: _____
Print Name: RONALD TYGAR
As its: President

[COMMITTEE:]

DATED: January 23, 1995

UNOFFICIAL COMMITTEE
OF UNSECURED CREDITORS

Witness
Print Name: E. RYTERBAND

Witness
Print Name: S LAPORI

By: _____
Print Name: DONALD K. JACKSON
As its: Chairman

[AGENT:]

DATED: January 24, 1995

MICHAEL MOECKER &
ASSOCIATES

Witness
Print Name: DIANNA LIORET

Witness
Print Name: PEGGY CUOMO

By: _____
Print Name: MICHAEL MOECKER
As its: President

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SCHEDULE "II"

LIST OF MEMBERS OF CREDITORS' COMMITTEE

(R. T. INDUSTRIES, INC., and its SUBSIDIARIES)

1. DONALD K. JACKSON - Chairman of the COMMITTEE
   Chairman of Board
   Parkview Capital Corp.
   121 King Street, West, Suite 2525
   Toronto, Ontario, Canada M5H 3T9
   Telephone: (416) 947-0123 Telefax: (416) 947-2695

2. J.G. BOSWORTH
   Corporate Controller
   Schenectady International, Inc.
   P.O. Box 1046
   Schenectady, New York 12301
   Telephone: (518) 370-4200 Telefax: (518) 370-3105

3. BOB BOSCO, SR.
   President
   Anstro Manufacturing, Inc.
   238 Wolcott Road
   Wolcott, Connecticut 06716
   Telephone: (203) 879-1423 Telefax: (203) 879-2823

4. ARTHUR SCHOLFIELD, ESQUIRE
   James K. Green, P.A.
   Suite 1503, One Clearlake Centre
   250 Australian Avenue South
   West Palm Beach, Florida 33401
   Telephone: (407) 659-2029 Telefax: (407) 655-1357

5. GARY LEIDER
   President
   DP&C
   33 Front Street
   West Hempstead, New York 11550
   Telephone: (516) 292-8800 Telefax: (516) 292-8803

6. BARRY S. COHN
   LPR North American, Inc.
   210 John Glenn Drive
   Buffalo, New York 14228
   Telephone: (716) 691-0037 Telefax: (716) 691-1007

7. MICHAEL BALDWIN
   Controller
   Tenneco Automotive Brake
   101 Brown Farn Road
   Cartersville, Georgia 30120
   Telephone: (404) 387-7521 Telefax: (404) 382-5566

SCHEDULE "I"

ACCEPTANCE FORM

THE UNDERSIGNED, a CREDITOR of **R. T. INDUSTRIES, INC., and its Subsidiaries, namely, ROINCO MANUFACTURING, INC., ULTRA BRAKE CORPORATION, and R. T. FRICTION, INC.** (collectively, the "COMPANY"), hereby accepts the Plan set forth in the certain Composition of Creditors Agreement dated as of JANUARY 27, 1995 (the "Composition Agreement"), with respect to the undersigned's CREDITOR's claim. CREDITOR hereby selects the following payment option by checking the appropriate box set forth below:

☐ No. 1 - Payment Option No. 1 [Section 1.1(a)]. **35% within 10 days of the Effective Date**

☐ No. 2 - Payment Option No. 2 [Section 1.1(b)]. **100% over five (5) years.**

If a petition shall hereafter be filed by or against either the COMPANY or any of its SUBSIDIARIES under the Bankruptcy Reform Act of 1978, as amended, and a plan shall be proposed during the course of such proceedings substantially similar to the Plan set forth in the Composition Agreement, then the execution and delivery of this Ballot by the undersigned shall be deemed an acceptance of the plan filed in the bankruptcy proceedings without further action by the undersigned.

The undersigned understands and agrees that by execution and delivery of this Acceptance, it shall be bound by the terms and provisions of the Composition Agreement in accordance with its terms, without the necessity for execution of the Composition Agreement itself or any counterpart thereof. It is also agreed that the acceptance of the Plan with respect to the undersigned's claim shall be irrevocable, and selection of the payment option above and acceptance of the payments thereunder shall be in full satisfaction of all claims of the undersigned against the COMPANY.

DATED this _____ day of _____, 1995.

Amount of Claim:

$_____

Address:

_____

_____

Phone Number: _____

Telefax Number: _____

_____
Printed Name of CREDITOR

By: _____

Title: _____
(Indicate Title if signing on behalf of an entity)

(Attach Invoices and Statements in Support of Your Claim for Amounts Due up to July 18, 1994)

PLEASE EXECUTE ONE COPY AND RETURN IT BEFORE FEBRUARY 17, 1995, TO:

MICHAEL MOECKER & ASSOCIATES
3123 COMMERCE PARKWAY
MIRAMAR, FLORIDA 33025
ATTENTION: MICHAEL MOECKER

ADDENDUM TO COMPOSITION OF CREDITORS' AGREEMENT

- OF -

R.T. INDUSTRIES, INC., AND ITS SUBSIDIARIES

Article 2.; Section 2.1 of the Composition Agreement is hereby amended to reflect that the additional sum of $750,000.00 is now on deposit in an interest bearing account of the Agent, rather than in the Trust Account of Debtor's Counsel.

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

R.T. INDUSTRIES, INC.
ROINCO MANUFACTURING, INC.
ULTRA BRAKE CORPORATION, INC.
RT FRICTION, INC.
c/o Larry Schantz, Esq.
Schantz, Schatzman, Aaronson & Cahan
First Union Financial Center
Suite 3650
Miami, FL 33131-2394

November 16, 1994

BULLETIN #5
MMA FILE #9407152

Dear Creditor:

Since the September 23rd Creditors' Committee meeting and subsequent bulletin, your committee has been actively engaged in moving the whole process forward. Progress is being made but not as rapidly as we would hope.

The formal repayment proposal or agreement is complete. It cannot be distributed to the creditors because of the inclusion of the warrants. This feature requires an application to the Securities and Exchange Commission (S.E.C.) before any dissemination. This is in the hands of S.E.C. specialists and they have promised December 15th as a completion date.

The financing of the repayment plan is not set but the debtor promises that it will be solved before the S.E.C. application date. The committee feels that the debtor must have these two problems solved by December 15th.

Should the debtor follow through by that date, the ballots and agreement would go out to the creditors at the same time. It is possible to complete the approval process in another 4 - 5 weeks with a secure closing date of January 31, 1995 at which time distribution can commence. R.T. has given the committee a $100,000 good faith deposit. The committee believes the company is strong enough to carry out the plan but must not allow any more delay to frustrate the creditors.

If there are any further questions please do not hesitate to call.

Yours truly,

Michael E. Moecker pc

Michael E. Moecker
Administrative Assistant

MEM:pc

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

September 30, 1994

R. T. INDUSTRIES, INC.
ROINCO MANUFACTURING, INC.
ULTRA BRAKE CORPORATION, INC.
RT FRICTION, INC.
c/o Larry Schantz, Esq.
Schantz, Schatzman, Aaronson & Cahan
First Union Financial Center
Suite 3650
Miami, Fl 33131-2394

BULLETIN #4
MMA FILE #9407152

Dear Creditors:

We are pleased to inform you that your Unsecured Creditors' Committee reached an agreement with the debtor on a repayment proposal at the September 23 meeting in Miami.

While a complete Composition agreement will take approximately two weeks to draft and print, the Committee feels a bulletin outlining the main points is in order at this time. This will be followed by the full agreement containing a ballot by which you should choose the method you prefer.

Please do not hesitate to call with questions of any kind at any time.

Sincerely yours,

Michael Moecker

Michael E. Moecker
Administrative Assistant

MEM/am

Enclosure

FMSI 08858

3123 Commerce Parkway • Miramar, FL 33025 • 305/438-0044

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made and entered into as of this 27th day of September, 1994, by and among: **R. T. INDUSTRIES, INC.**, a Delaware corporation (the "COMPANY"), for itself and on behalf of its subsidiaries, namely **ROINCO MANUFACTURING, INC., ULTRA BRAKE CORPORATION, and R. T. FRICTION, INC.** (the "SUBSIDIARIES"); and **THE UNOFFICIAL COMMITTEE OF UNSECURED CREDITORS** of the COMPANY and its SUBSIDIARIES (the "COMMITTEE").

Representatives of the COMPANY and the COMMITTEE met on Friday, September 23, 1994, and the following general terms and provisions were agreed upon with respect to the payment of the obligations due and owing by the COMPANY and its SUBSIDIARIES to its unsecured creditors (the obligations being referred to herein as "Claim(s)"). It was agreed that the following four (4) alternative proposals would be embodied in a formal Composition Agreement and presented to the unsecured creditors ("Creditors") for acceptance as herein outlined:

PROPOSAL NO. 1. Cash in the amount of thirty-five percent (35%) of the Creditors' full Claims ($.35 for each $1.00) owed, to be paid in cash in full within ten (10) days after the Effective Date, as hereinafter defined.

PROPOSAL NO. 2. Cash in the amount of thirty percent (30%) of the Creditors' full Claims ($.30 on each $1.00 owed) to be paid within ten (10) days after the Effective Date, plus Common Stock Purchase Warrants to purchase such shares of the COMPANY's Common Stock as shall equal fifty percent (50%) of the Creditors' full Claim, divided by $1.25, at an exercise price of $1.25 per share, exercisable over a period of five (5) years from and after the Effective Date. For example, if the accepting Creditors' Claim is $10,000.00, such Creditor will receive $3,000.00 in cash within ten

(10) days after the Effective Date, plus Common Stock Purchase Warrants to purchase 4,000 shares of the COMPANY's Common Stock (50% X $10,000.00 divided by $1.25), at an exercise price of $1.25 per share, exercisable at any time during a period of five (5) years from and after the Effective Date.

PROPOSAL NO. 3. One hundred percent (100%) of the Creditors' full Claim, payable as follows:

(a) Five percent (5%) of the Claim within ten (10) days after the Effective Date;

(b) Five percent (5%) of the Claim within six (6) months and twelve (12) months, respectively, after the Effective Date;

(c) Seven and one-half percent (7-1/2%) of the Claim within eighteen (18) months and twenty-four (24) months, respectively, after the Effective Date; and

(d) Ten percent (10%) of the Claim within thirty (30) months, thirty-six (36) months, forty-two (42) months, and forty-eight (48) months, respectively, after the Effective Date; and

(e) Fifteen percent (15%) of the Claim within fifty-four (54) months and sixty (60) months, respectively, after the Effective Date.

In addition, if the net income after taxes of the COMPANY and its SUBSIDIARIES on a consolidated basis exceed $1,000,000.00 in any fiscal year, fifty percent (50%) of the excess will be paid to the Creditors accepting this PROPOSAL NO. 3 and applied to the installment payments due in inverse order of the due dates.

PROPOSAL NO. 4. One share of Common Stock of the COMPANY for each $2.00 principal amount of the Claim, to be issued within ten (10) days after the Effective Date, in full satisfaction of the Claim.

"**Effective Date**" as used herein shall mean the date that the Chairman for the COMMITTEE notifies the COMPANY that ninety-five percent (95%) of all Creditors in dollar amount have submitted acceptances to the payment proposals set forth above, which shall be embodied in a formal Composition Agreement to be circulated by the COMMITTEE to all Creditors, together with an appropriate Acceptance Form.

This Memorandum of Understanding sets forth the terms and provisions of the proposals agreed upon during the meeting held on September 23, 1994, and it is agreed that the final terms and provisions of the composition among Creditors shall be embodied in a formal Composition Agreement to be executed by the COMPANY and the COMMITTEE for circulation to all Creditors. The COMPANY, however, has agreed to deposit the sum of $100,000.00 with the Secretary of the COMMITTEE by 5:00 o'clock p.m. on September 30, 1994 to evidence its good faith intentions diligently to proceed toward the preparation of a detailed Composition Agreement acceptable to the COMPANY and the COMMITTEE. In the event the Composition Agreement is not implemented for any reason, the $100,000.00 shall be returned to the COMPANY.

It is expressly agreed and understood that the proposals to issue Common Stock Purchase Warrants and shares of Common Stock underlying the Warrants, as set forth in PROPOSAL NO. 2, and shares of the COMPANY's Common Stock in full satisfaction of an accepting Creditor's Claim as set forth in PROPOSAL NO. 4 above, are subject to the filing of a registration statement with the Securities and Exchange Commission and the various state securities' authorities, which the Company agrees to file as expeditiously as practicable after the execution of this Memorandum of Understanding.

The COMPANY agrees to pay all reasonable fees and expenses of professionals engaged in connection with the preparation and implementation of the Composition Agreement.

This Memorandum of Understanding is made and executed as of the date first above written.

Witnessed By:

[COMPANY:]

R. T. INDUSTRIES, INC.,
and its SUBSIDIARIES

_____
Witness
Print Name _____

By: _____
RONALD TYGAR, President

_____
Witness
Print Name _____

FMSI 08861

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

September 19, 1994

R.T. INDUSTRIES, INC.
ROINCO MANUFACTURING, INC.
ULTRA BRAKE CORPORATION, INC.
RT FRICTION, INC.
c/o Larry Schantz, Esq.
Schantz, Schatzman, Aaronson & Cahan
First Union Financial Center
Suite 3650
Miami, FL 33131-2394

BULLETIN #3
MMA FILE #9407152

Dear Creditors:

Following the initial meeting of creditors a list of demands was made on the debtor for financial information. Everything requested has been forthcoming in a timely manner. The investigating accountants have finished their work and their report has been given to the committee.

On September 12, 1994 a repayment of debt proposal was submitted to the committee. On September 23, 1994 the committee will meet to consider the repayment proposal in the context of the previously received information and accountants report.

Hopefully an agreement on a repayment plan will be reached and that proposal will then be submitted to the entire creditor body for their approval.

Sincerely yours,

Michael E. Moecker
Administrative Assistant

MEM/dl

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

July 18, 1994

R. T. INDUSTRIES, INC.
ROINCO MANUFACTURING, INC.
ULTRA BRAKE CORPORATION, INC.
RT FRICTION, INC.
c/o Larry Schantz, Esq.
Schantz, Schatzman, Aaronson & Cahan
First Union Financial Center
Suite 3650
Miami, Fl 33131-2394

BULLETIN #1
MMA FILE #9407152

Dear Creditors:

Please be advised that a meeting of creditors has been requested by the above referenced corporations' counsel, Larry Schantz of Schantz, Schatzman Aaronson & Cahan of Miami.

The meeting has been scheduled for Tuesday, August 2, 1994 at 2:00 p.m. at the Omni/West Palm Beach Hotel located at 1601 Belvedere Road, West Palm Beach (near the airport). The hotel has courtesy transportation from the airport if you will let them know what your flight number is.

The purpose of the meeting is to discuss the financial affairs of the above company and make a proposal to amicably resolve the outstanding debts. Financial information will be available at the meeting.

Any shipments made or services performed after July 18, 1994, will not be affected and will be paid in the ordinary course of business. The above captioned companies have been advised that they cannot prefer one creditor over another and that they will be dealt with at the meeting.

Mr. Schantz requests that all creditors withhold any independent demand for payment pending the outcome of this meeting.

Sincerely yours,

Michael Moecker
President

MEM/am

BUSINESS ESTATES BUREAU

A Division of MICHAEL MOECKER & Associates Inc.

In The Matter Of:

August 4, 1994

R. T. INDUSTRIES, INC.)
ROINCO MANUFACTURING, INC.)
ULTRA BRAKE CORPORATION, INC.)
RT FRICTION, INC.)
c/o Larry Schantz, Esq.)
Schantz, Schatzman, Aaronson & Cahan)
First Union Financial Center)
Suite 3650)
Miami, Fl 33131-2394)
)

BULLETIN #2
MMA FILE #9407152

Dear Creditors:

A meeting of the creditors was held as scheduled at the Omni Hotel at the West Palm Beach Airport on the 2nd of August at 2:00 p.m.

Larry Schantz, counsel for the Debtor, was present and introduced his associate, Alan Perlman, who will be working with him on the case. In addition, he introduced Ronald Tygar, Chief Executive Officer and President of the company and Bernard Bard, Chief Financial Officer of the company.

Creditors present at the meeting represented approximately 75% of the unsecured debt.

Schantz opened the meeting by reviewing his client's condition. He stated that a bankruptcy was certainly not necessary at this time and requested that all creditors present listen to his presentation and at the end of the presentation he expressed hope that the creditors would agree to form an Unsecured Creditor's Committee who would negotiate with the company on a repayment program of the outstanding unsecured debt as of the 18th of July, 1994.

He went on to review the current condition of the company. He stated that the financial information that he was going to give to the creditors was consolidated from the five companys that were subsidiaries of R. T. Industries, Inc. Those companys are as follows:

Ultra Brake Corporation
Ultratech of South Florida, Inc.
Roinco Manufacturing, Inc.
RT Friction, Inc.
In House Legal Services, Inc.

He stated that the financial information that he would distribute to the creditors was information filed with the SEC through the 1st quarter of 1994. The June 30 statement would be available by the end of August and would be filed with the SEC and given to the creditors at the same time.

He went on to state that all of the assets of the corporation are pledged and cross-collaterized to Congress Financial Corporation for Congress' accounts receivable and inventory line with the company.

Schantz reviewed the background of the company from its start in 1981. He stated that the public offering in 1992 which raised $2.9M, was used to purchase equipment and very little was retained for the company working capital which lead to one of its current problems.

He further stated that the company over expanded from that period of time and that the company is now in a position of consolidating. He reviewed the consolidation plan with the creditors stating that the Missouri Plant will be closed and its operation would be consolidated with the Sanford, Florida plant. The Tennessee operation will also be closed and its production needs would be moved to the Sanford, Florida plant. Pompano would be closed as well and moved to Sanford. He said that by December 31st of this year, only Lindherst, New York and Sanford would be operating facilities of the company and that its current headquarters in Boca Raton would be scaled down and the company headquarters would be moved to a less expensive facility.

He stated that the inadquate capital condition of the company has created the need for a meeting of the creditors and stated that the current cash flow of the company would be more than sufficient to handle current purchases for the company. He requested that all creditors consider selling the company on normal terms which will be paid on a timely basis.

The secured creditor is currently lending 80% on eligible accounts receivable and 50% on inventory. Schantz reported that they had expressly stated that they were very happy to continue working with the company while they work through their current financial problems.

He stated that the 2nd quarter loss that would be reported to the SEC will be substantial and will include a write down of several assets and a general cleanup of the financials. The 2nd quarter loss could be in the vicinity of approximately $600,000.

He stated that the savings that the company has undertaken in closing the above mentioned facilities and consolidations would result in a savings of anywhere between $1.2 and $1.5M per year and this was just the first step in cost reductions that the company hoped to undertake immediately.

He further offered that no plan would be offered today but that a basic outline for a repayment program would involve four (4) alternatives for the creditors.

1. Offer a 100% plan over time
2. A discount for immediate payment
3. Stock option in the company
4. Small creditor option

All of the above would be negotiated with an informal Creditor's Committee at a later date. If a Creditor's Committee were formed, negotiations would commence following a due diligence review by the Creditor's Committee.

He then distributed financial information which included a 1993 Year-End Audited Financial Statement and 1st quarter SEC filings.

Schantz opened the floor for questions and answers. The creditors asked many questions and upon completion of that discussion period, the Debtor and its representatives were excused from the room. The creditors then deliberated among themselves and discussed their alternatives.

The creditors present voted to ratify unanimously the formation of an informal Creditor's Committee. The Committee met and elected Don Jackson as its chairman. The Committee, after deliberation, retained the services of Daniel Bakst, a bankruptcy counsel, from West Palm Beach, of the law firm of Ackerman, Bakst & Cloyd, to represent the Committee in its negotiations with the Debtor. The undersigned has been authorized to act as Administrative Assistant to the Creditor's Committee to keep the creditors informed of the activities of the Committee and its recommendations.

The Committee then proceeded to discuss its needs beyond the administrative issues and prepared a list of items to be presented to the Committee as soon as possible by the Debtor.

The list of the requests made of the Debtor is voluminous and will not be listed as part of this bulletin.

The Debtor party returned to the meeting with the Creditor's Committee and committed to cooperating with the Committee by providing them with all of the necessary information for the Committee and its representatives to do its due diligence. The Committee is considering retaining the services of a forensic accounting firm. That project is currently being undertaken by Don Jackson.

Schantz stated that a business plan, including cash flows and projections through 1995, would be presented to the Creditor's Committee by the 12th of September for their review. The next physical meeting of the Creditor's Committee will take place following receipt of that information which means late in the week of 12 September, that meeting will most likely be held for further discussions.

In the meantime, the Creditor's Committee intends on communicating by conference call and discussing issues as information is presented to the Committee that has been previously requested.

The Debtor agreed to provide to the Creditor's Committee on a monthly basis financial information that is internally generated and without notes to the financial statement on a regular scheduled basis providing the Creditor's Committee an opportunity to keep on top of the financial condition.

The undersigned will be communicating with the Creditor's Committee as the need arises. The next bulletin should be sent to you sometime following the next meeting of the Creditor's Committee. If the need arises, a bulletin will be sent prior to that time. The Debtor, again, stated they intend on keeping bills current from the 18th of July, 1994.

If you have any questions, please do not hesitate to call the undersigned.

Sincerely yours,

Michael Moecker

Michael E. Moecker
Administrative Assistant

MEM/am

Enclosure

R O S T E R

R. T. INDUSTRIES, INC.

CREDITORS COMMITTEE

August 2, 1994

1. DONALD K. JACKSON CHAIRMAN
   Chairman of Board
   Capital Tool & Design
   32 Elgin Avenue
   Toronto, Ontario Canada M5R 1G6
   416-972-6650
   fax 416-324-1354

2. T. G. Bosworth
   Corporate Controller
   Schenectady International, Inc.
   P.O. Box 1046
   Schenectady, NY 12301
   518-370-4200
   fax 518-370-3105

3. Bob Bosco, Sr.
   President
   Anstro Manufacturing Inc.
   238 Wolcott Road
   Wolcott, CT 06716
   203-879-1423
   fax 203-879-2823

4. Arthur Scholfield, Esq.
   James K. Green, P.A.
   Suite 1503, One Clearlake Centre
   250 Australian Avenue South
   West Palm Beach, FL 33401
   407-659-2029
   fax 407-655-1357

5. Gary Leider
   President
   DP&C
   33 Front Street
   West Hempstead, NY 11550
   516-292-8800
   fax 516-292-8803

6. Barry S. Cohn
   LPR North American, Inc.
   210 John Glenn Drive
   Buffalo, NY 14228
   716-691-0037
   fax 716-691-1007

7. Michael Baldwin
   Controller
   Tenneco Automotive Brake
   101 Brown Farn Road
   Cartersville, Ga 30120
   404-387-7521
   fax 404-382-5566

Debtor's Counsel

Larry Schantz, Esq. 305-371-3100
Alan Perlman, Esq. fax 305-371-2024
Schantz, Schatzman, Aaronson
& Cahan
200 S. Biscayne Blvd., Suite 3650
Miami, FL 33131

Creditor's Counsel

Daniel Bakst, Esq. 407-640-8000
Ackerman, Bakst, Cloyd fax 407-640-6030
2450 Metro Centre Blvd.
West Palm Beach, FL 33407

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

July 12, 1994

Mr. Neil Tygar
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, FL 32773

Dear Sir:

Enclosed are copies of invoices 7026 dated July 1, 1993, 7174 dated January 3, 1994 and 7310 dated July 1, 1994. These invoices are for Membership Dues and two of these invoices are seriously delinquent. Invoice 7026 is over 12 months old and invoice 7174 is over 6 months old. Also enclosed are copies of the ledger card for your account. The total of open invoices is $2,356.84. The Institute relies on timely payment of Membership Dues for its operations.

This is to advise you that the Institute is terminating services to Ultra Brake Corporation until the open invoices are paid.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld

cc: Mr. Ron Tygar

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

May 3, 1994

Mr. Neil Tygar
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, FL 32773

Dear Sir:

Enclosed are copies of invoice number 7026 dated July 1, 1993, and 7174 dated January 3, 1994. These invoices are for Membership Dues and are 10 months and 4 months old respectively. Also enclosed are ledger cards detailing invoices and past payments. The current unpaid balance for Membership Dues is $1,217.84.

At the Annual Meeting the Board of Directors will review all delinquent accounts. Your attention to these open invoices is requested.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Enclosures

FMSI 08871

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

March 10, 1994

Mr. Neil Tygar
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, FL 32773

Dear Sir:

Enclosed are two open invoices for Membership Dues. Invoice number 7026 is for $242.84 and dates back to July 1, 1993. Invoice number 7174 is for $975.00 and is dated January 3, 1994. The total amount owed is $1,217.84.

Your attention to these open invoices is appreciated.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Enclosures

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

April 6, 1993

Mr. Stan Padover
Ultra Brake
P. O. Box 165
East Meadow NY 11554

Dear Stan:

This is to confirm our conversation of today. Commencing with the next bulletin which will be #1-931, we will include all new disc lining and disc shoe prints in your mailing. Since Ultra Brake gets the original prints these are considered extra copies and you will be billed for these @ $1.00 per print at the end of the catalog year or after the last 931 bulletin is mailed.

Enclosed are copies of FMSI D604 to D611 as you requested.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Enclosures

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
588 MONROE TURNPIKE
MONROE, CT 06468

FAXFAX***FAX***

TO: MR NEIL TYGAR -

COMPANY: ULTRA BRAKE

FROM: G LAYCOCK

DATE: 2/23/93

NUMBER OF PAGES: 1 (Including Cover)

MESSAGE:

WE RECEIVED YOUR CHECK # 4270 FOR $1666.66
ULTRA BRAKE HAS ONE OPEN INVOICE WITH THE INSTITUTE
INV # 6943 IN THE AMOUNT OF $925.00
WAS CHECK # 4270 MADE OUT TO "FRICTION MATERIALS"
SENT TO THE RIGHT COMPANY

PLEASE ADVISE -

G.N. LAYCOCK

2/24/93
PHONE - DARLA
KEEP CHECK - APPLY TO
OPEN $925.00 INVOICE
GIVING CR BAL $741.66
FOR NEXT BILLING

FMSI 08874

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

April 1, 1991

Mr. Neil Tygar
Ultra Brake
501 Silver Lake Drive
Sanford, FL 32773

Dear Sir:

Enclosed is a copy of our January 2, 1991, invoice for Membership Dues. As of this date we have not received payment.

Perhaps it got set aside because it was addressed to Mr. Luts. We would appreciate if you could check with your Accounts Payable Department on the payment of this invoice.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Enclosure

INVOICE

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE · MONROE, CT 06468 · PHONE (203) 452-1877

SOLD TO

Mr. Boris Luts
Ultra Brake Corp.
501 Silver Lake Drive
Sanford, FL 32773

SHIPPED TO

DATE	DATE SHIPPED	SHIPPED VIA	YOUR ORDER NO.	F.O.B.	TERMS	INVOICE NO.
1/1/91					NET	008328

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	Annual Membership Fee for the 1990-91 Fiscal Year		
	Full Year $1,850.00		
	Second Half (January 1 - June 30, 1991) billed at this time		$925.00

FMSI 08876

501 Silver Lake Drive
Sanford, Florida 32773

ULTRA BRAKE
CORPORATION

Tel: (407)322-8000
Fax: (407)322-7477

December 26, 1990

Mr. G.N. Laycock
Friction Materials Standards Institute
588 Monroe Turnpike
Monroe, CT 06468

Dear G.N. Laycock:

Please be advised that Boris Luts is no longer with us.

Please substitute Neil Tygar as delegate, and address all further correspondence to same.

Your dues payment will be immediatley forth coming under separate cover.

Thank you for your continued courtesy and co-operation.

Sincerely,

NEIL TYGAR
General Manager

NT/as

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

December 20, 1990

Mr. Boris Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, FL 32773

Dear Mr. Luts:

Enclosed is invoice number 6317 for Membership Dues for the second quarter of our fiscal year (October 1, 1990 to December 31, 1990). Please refer to enclosed copy of my memo of September 12, 1989 advising that your prepaid dues with Membership Application would carry through September 30, 1990.

This invoice should have been sent on October 1, 1990. The only explanation we have is we missed it.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Enclosures

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
BERGEN MALL OFFICE CENTER
E. 210 ROUTE 4
PARAMUS, N. J. 07652

September 12, 1989

Mr. Boris M. Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, Florida 32773

Dear Mr. Luts:

We are pleased to notify you that the Membership has voted Ultra Brake Corporation into Active Membership (United States Membership) in the Institute. The balloting on Membership had to be approved first by the Membership Committee and then by the Board of Directors. After balloting by the Board, your application had to be approved by the full Membership.

We now have over 80% of the Members ballots back and all are in favor of the Membership. However, the Constitution states that for mail balloting we must wait 30 days from submission of the ballot to the Membership. This means that the balloting cannot be considered complete until September 16. With that in mind, we will make your Membership effective October 1, 1989. This means that the Ultra Brake Membership dues will be paid through September 30, 1990.

We will show you as the Delegate to the Institute. As most companies also have an Alternate, is there someone who you would want listed as an Alternate?

We will officially start servicing Ultra Brake Corporation as of October 1, 1989. However, we will take care of any needs as far as prints or Catalogs in the interim. We have some 1989 Supplements left and a few 1988 Automotive Data Books left. One of each is being sent under separate cover.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr

TELEPHONE (203) 452-1877
FAX (203) 452-7951

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE
MONROE, CT 06468

June 28, 1990

Mr. Boris Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, FL 32773

Dear Mr. Luts:

Attached please find a copy of our invoice number 006067 of 2/20/90 for $16.00 and a copy of our ledger card, which shows the invoice remains open. Would you please check on this invoice as it may have been overlooked.

Thank you for your assistance.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL:ld
Attachments

INVOICE

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

588 MONROE TURNPIKE · MONROE, CT 06468 · PHONE (203) 452-1877

SOLD TO

Ultra Brake Corp.
501 Silver Lake Drive
Sanford, FL 32773
ATTN: Boris Luts

SHIPPED TO

SAME

DATE	DATE SHIPPED	SHIPPED VIA	YOUR ORDER NO.	F.O.B.	TERMS	INVOICE NO.
2/20/90	2/20/90	1st Class	Boris Luts		Net	006067

QUANTITY	DESCRIPTION	PRICE	AMOUNT
16	FMSI DRAWINGS AS FOLLOWS: D432 - D441	$1.00	$16.00
	FMSI 7319 - FMSI 7324		

FMSI 08881

Friction Materials Standards Institute, Inc. Ultra Brake Corp.

Annual Fee $1,250.00

Due 7/1 & 1/1 See Below.

START BILLING OCT 1, 1990
1/4 ON OCT 1, 1990
1/2 YR ON JAN 1, 1991
1/2 YR 7/1 - 1/1 THENCEFORTH

Ultra Brake Corp.
501 Silver Lake Drive
Sanford, FL 32773

Attn: Mr. Boris Luts

Date		Debit	Credit	Balance
2/20/90	INV 6067	16.00		16.00
3/2/90	INV 6069	5.40		21.40
3/20/90	CK# 1505 (50 - 1990 Catalogs)		61.50	(40.10)
6/8/90	CK# 1097		5.40	(45.50)
6/19/90	INV 6139 CATALOGS	61.50		16.00

FMSI 08882

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

BERGEN MALL OFFICE CENTER
E. 210 ROUTE 4
PARAMUS, N. J. 07652

September 12, 1989

Mr. Boris M. Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, Florida 32773

Dear Mr. Luts:

We are pleased to notify you that the Membership has voted Ultra Brake Corporation into Active Membership (United States Membership) in the Institute. The balloting on Membership had to be approved first by the Membership Committee and then by the Board of Directors. After balloting by the Board, your application had to be approved by the full Membership.

We now have over 80% of the Members ballots back and all are in favor of the Membership. However, the Constitution states that for mail balloting we must wait 30 days from submission of the ballot to the Membership. This means that the balloting cannot be considered complete until September 16. With that in mind, we will make your Membership effective October 1, 1989. This means that the Ultra Brake Membership dues will be paid through September 30, 1990.

We will show you as the Delegate to the Institute. As most companies also have an Alternate, is there someone who you would want listed as an Alternate?

We will officially start servicing Ultra Brake Corporation as of October 1, 1989. However, we will take care of any needs as far as prints or Catalogs in the interim. We have some 1989 Supplements left and a few 1988 Automotive Data Books left. One of each is being sent under separate cover.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
BERGEN MALL OFFICE CENTER
E. 210 ROUTE 4
PARAMUS, N. J. 07652

July 12, 1989

Mr. Boris M. Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, Florida

Dear Mr. Luts:

This is to acknowledge receipt of your application for membership in the Institute and your check in the amount of $1,850.00. Our membership review process for U.S. Members takes approximately 8-10 weeks with reviews by our Membership Committee, Board of Directors and finally the entire Active Membership.

We will advise you of the outcome.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr

APPLICATION FOR MEMBERSHIP

TO THE BOARD OF DIRECTORS OF
FRICTION MATERIALS STANDARDS INSTITUTE, INC.

PHONE 407-322-8000

Gentlemen:

The undersigned hereby applies for membership in the FRICTION MATERIALS STANDARDS INSTITUTE, INC., as an Active Member, and certifies to the following:

1. Name of Applicant: ULTRA BRAKE CORP.
2. State of Incorporation: FLORIDA
3. Principal Office: 501 SILVER LAKE DRIVE, SANFORD, FLORIDA 32773
4. Date of Incorporation: 03/22/89
5. Length of time dealing with friction materials: NEW COMPANY
6. Do you manufacture friction materials from the basic materials or do you buy partially finished products from other companies?
   BASIC MANUFACTURER
7. Type of friction materials manufactured, and approximate annual capacity of plant (Pieces or Tons): DISC BRAKE PADS
   ANNUAL CAPACITY 4,800,000 PCS.
8. State approximate amount of said materials now manufactured in commercial quantities (Pieces or Tons): MANUFACTURE NOT YET STARTED
9. Is the distribution of your product national, international or local or in how many states? NATIONAL
10. Do you list the materials you manufacture in catalogs or in some other form? If so, please furnish us with a copy of same:
    NOT PRINTED YET

FMSI 08885

11. Reference as to financial strength in relation to operations (Assets, Liabilities and Gross Sales, or Bank Reference):
    SOUTHEAST BANK, N.A./201 EAST PINE STEET/SUITE 200/ORLANDO,FL 32801/ (407) 237-2067
    SUNBANK, N.A./P.O. BOX 3833/ORLANDO, FL 32801/ (407) 237-4737

12. Is plant owned by applicant or leased? LEASED FROM AFFILIATED COMPANY

The undersigned hereby acknowledges receipt of a copy of the Constitution and By-Laws of the Institute and agrees that, if elected to membership, it will accept and be bound by the said Constitution and By-Laws, together with any amendments that may from time to time be made thereto.

The undersigned hereby designates BORIS M. LUTS as its delegate and _____ as its alternate delegate, to represent it at any meeting of the membership.

By: Boris M. Luts
(Signature)

BORIS M. LUTS, PRESIDENT
(Please Print or Type Name, Title)

Company: ULTRA BRAKE CORP.

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
BERGEN MALL OFFICE CENTER
E. 210 ROUTE 4
PARAMUS, N. J. 07652

June 23, 1989

Ultra Brake Corp.
Attn: Sales Manager
501 Silver Lake Drive
Sanford, FL 32773

Dear Sir:

We have been advised that your company has an interest in membership in the Institute. Friction material manufacturers who are manufacturing from basic raw materials and are producing parts in commercial quantities are eligible for Active Membership (United States Membership) in the Institute. The complete eligibility requirements for membership are spelled out in our Constitution.

For background, I am enclosing copies of the following:

Constitution and By-Laws
EXHIBIT A - Services to Members
Application for Membership Form - Active Member (2)
List of Institute Membership

ANNUAL FEE FORMULA

The annual fee is based on four categories in which the Member participates: (1) Disc Brake Linings; (2) Drum brake linings; (3) Brake Blocks; (4) Clutch Facings. The fee is calculated with a basic charge of $1,600, with an additional category charge of $250 for each of the first two categories in which a member participates, with an additional category charge of $500 for each of the next two categories. Essentially, this comes to:

One Category:	$1,850/year
Two Categories:	2,100
Three Categories:	2,600
Four Categories:	3,100

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As noted in our EXHIBIT A write-up, the FMSI Numbers and Numbering Systems are protected by copyright, and FMS and FMSI are registered trademarks. Use of these numbers and/or trademarks without the express written permission of the Institute is a violation of our copyrights and infringes on our trademarks. We believe a central gathering point for product information has been good for our industry and a common numbering system is a benefit to all.

APPLICATION FOR MEMBERSHIP

If you were to apply for Active Membership, you should complete the "Application for Membership" Form enclosed. As regards the question on "financial strength", copies of financial statements, or bank references, or trade references such as domestic customers/suppliers would suffice. The application should be signed by a principal of the applicant - Officer, Sales Manager, or someone in similar capacity. The application should be accompanied by a prepayment of the first year's annual fee. Assuming the application were accepted, this deposit would be applied to the fee for 12 months from date of acceptance. It normally takes about 6 to 8 weeks to process an application for Active Membership. If the application were not accepted, the prepayment would be returned.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr
Enc.

NEW MEMBER CHECK LIST

Name and Address: ULTRA BRAKE CORPORATION
501 SILVER LAKE DRIVE
SANFORD, FLORIDA 32773

Type of Membership: ACTIVE **Folder:** Active-Green
Regional-Yellow
Licensee-Blue

If Regional (US Dues, Regular): _____

		Initials	Date
1.	Write letter advising new Member of acceptance	GWR	SEP 12 1989
2.	Set up ledger card for new Member in Accounts Receivable	DJL	SEP 13 1989
3.	Make up file folder for new Member with index tab	DJL	SEP 13 1989
4.	Add name and address for new Member on address label matrix	DJL	SEP 13 1989
5.	Add name and address for new Member in appropriate Data Book and Shoe Bulletin matrix	DJL	SEP 13 1989

Data Book Bulletins (X) ✓ Shoe Bulletins (X) ✓

6. Post prints to be mailed with new bulletins to mailing chart

Disc Linings	(X)	Drum Linings	( )
Brake Blocks	( )	Clutch Facings	( )
Disc Shoes	(X)	Drum Shoes	( )

7.	File appropriate correspondence on gaining Membership in file folder or ballot folder	GWR	SEP 12 1989
8.	Advise Membership of acceptance of new Member	GWR	SEP 12 1989

FMSI 08889

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

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E. 210 ROUTE 4
PARAMUS, N. J. 07652

June 23, 1989

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Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr
Enc.

501 Silver Lake Drive
Sanford, Florida 32773

ULTRA BRAKE CORP.

Tel: (407) 322-8000
Fax: (407) 322-7477

September 19, 1989

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
Bergen Mall Office Center
E. 210 Route 4
Paramus, NJ 07652

Attn: Mr. G. N. Laycock

Dear Mr. Laycock:

Thank you very much for your letter of September 12 advising that Ultra Brake Corporation has been accepted as an active member of the Friction Materials Standards Institute, Inc.

With respect to your question concerning an Alternate Delegate, we would like to list Mr. Ron Tygar who is our Vice President of Sales and Marketing.

Sincerely yours,

BORIS M. LUTS
President

BML/lca

TELEPHONE (201) 845-0440

FRICTION MATERIALS STANDARDS INSTITUTE, INC.
BERGEN MALL OFFICE CENTER
E. 210 ROUTE 4
PARAMUS, N. J. 07652

September 12, 1989

Mr. Boris M. Luts
Ultra Brake Corporation
501 Silver Lake Drive
Sanford, Florida 32773

Dear Mr. Luts:

We are pleased to notify you that the Membership has voted Ultra Brake Corporation into Active Membership (United States Membership) in the Institute. The balloting on Membership had to be approved first by the Membership Committee and then by the Board of Directors. After balloting by the Board, your application had to be approved by the full Membership.

We now have over 80% of the Members ballots back and all are in favor of the Membership. However, the Constitution states that for mail balloting we must wait 30 days from submission of the ballot to the Membership. This means that the balloting cannot be considered complete until September 16. With that in mind, we will make your Membership effective October 1, 1989. This means that the Ultra Brake Membership dues will be paid through September 30, 1990.

We will show you as the Delegate to the Institute. As most companies also have an Alternate, is there someone who you would want listed as an Alternate?

We will officially start servicing Ultra Brake Corporation as of October 1, 1989. However, we will take care of any needs as far as prints or Catalogs in the interim. We have some 1989 Supplements left and a few 1988 Automotive Data Books left. One of each is being sent under separate cover.

Sincerely,

FRICTION MATERIALS STANDARDS INSTITUTE

G. N. Laycock
Executive Director

GNL/dr