MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 14, 1988

Hyatt Regency Monterey, Monterey, California

DIRECTORS PRESENT

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| Robert E. Nelson | Abex Corporation<br>Friction Products Group |
| Arthur V. Moore | Carlisle Corporation<br>Motion Control Industries |
| Larry Mintman | Certified Brakes<br>Allied-Signal, Inc. |
| Larry Belans | Friction Material Company, Inc. |
| Ronald Randall | HKM of California, Corp. |
| Rita Grisham | Nuturn Corporation |
| F. William Barton | Reddaway Manufacturing Co. |

OTHERS PRESENT

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| Michael J. Brady, Counsel | Harwood Lloyd, Counsellors at Law |
| Edward W. Drislane, Secretary | Friction Materials Standards Institute |

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Mr. F. W. Barton, acting as Chairman, called the meeting to order at 11:15 AM, June 14, 1988.

ELECTION OF OFFICERS

Mr. Barton called for nominations for the office of President. The name of Mr. W. Max Sleeth was presented for President. The nomination was seconded.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the nominations for the office of President be closed.

Whereupon the Secretary was instructed to cast one ballot for the election of Mr. W. Max Sleeth as President. The Secretary advised that the ballot had been cast.

Mr. Barton called for nominations for the office of Vice President. Mr. Larry Mintman was nominated and seconded for the office of Vice President.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the nominations for the office of Vice President be closed.

Whereupon the Secretary was directed to cast one ballot for the election of Mr. Larry Mintman as Vice President. The Secretary advised that the ballot had been cast.

For the office of Treasurer, the name of Mr. Larry Belans was presented and seconded.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the nominations for the office of Treasurer be closed.

Whereupon the Secretary was directed to cast one ballot for the election of Mr. Larry Belans as Treasurer. The Secretary advised that he had cast such ballot.

For the office of Secretary, the name of Mr. Edward W. Drislane was presented and seconded.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the nominations for the office of Secretary be closed.

Whereupon the Secretary was instructed to cast one ballot for the election of Mr. Edward W. Drislane as Secretary. The Secretary advised that the ballot had been cast.

Whereupon the following persons are duly elected as officers of the Institute for the ensuing year:

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| W. Max Sleeth | - | President |
| Larry Mintman | - | Vice President |
| Larry Belans | - | Treasurer |
| Edward W. Drislane | - | Secretary |

RETENTION OF COUNSEL

The Secretary advised that, according to ARTICLE VII of the By-Laws, legal counsel shall be retained at each annual meeting.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the Harwood Lloyd Law Firm be retained as Counsel for the Institute.

RETENTION OF AUDITORS

The Chairman, on recommendation of the Secretary, suggested the retention of auditors for the Institute.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That Marshall Granger & Co., Certified Public Accountants, be retained as auditors for the Institute.

BUDGET - JULY 1, 1988 THROUGH JUNE 30, 1989

The outgoing Board of Directors reviewed and recommended approval of an Expense Budget of $145,545 for the 1988-89 fiscal year. This budget was in turn approved by the Membership at its meeting earlier on this date.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the Expense Budget of $145,545 approved by the Members be adopted for the July 1, 1988 - June 30, 1989 fiscal year.

FEE FORMULA - July 1, 1988 to JUNE 30, 1989

The outgoing Board of Directors had earlier recommended a Fee Formula for the 1988-89 fiscal year. The recommended formula was approved by the Membership at its meeting earlier on this date.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That effective July 1, 1988 the annual dues for Active Members and Regional Members with Active Member rights would be the total of a basic fee of $1,600, and a charge for participation in each of the following categories: Disc brake linings; Drum brake linings; Brake Blocks; Clutch facings. The charge would be $250 each for the first and second categories, and an additional $500 each for the third and fourth category. (One category $1,850; Two categories $2,100; Three categories $2,600; Four categories $3,100).

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That effective July 1, 1988 the annual fee for Regional Members (Regular) would be $1,600; Regional Member (Association) $2,600; Licensee: $600.

MEETING OF THE BOARD OF DIRECTORS

The next meeting of the Board of Directors is scheduled for June 1988 at Sawgrass in Florida. If due to Committee action or other reasons an earlier Board Meeting must be called, the Directors will decide on a location and date at that time.

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There being no other business brought to the attention of the Board of Directors, upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To Adjourn.

Adjourned at 11:25 AM.

E. W. Drislane
Secretary