

Bendix

Bendix Friction Materials Division
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January 31, 1992

Mr. Cary Winsett
Rayloc Division
P.O. Box 908
Stephenville, Texas 96401

Subject: BFMD-Supplied Asbestos Pucks - Rayloc "ES" Line

Dear Cary:

Allied-Signal established a policy in early 1991 to phase out production of all asbestos friction materials during 1992. This phasing out process was to be implemented on the basis that suitable non-asbestos organic (NAO) materials were fully developed and commercially acceptable to replace their asbestos counterparts.

In August 1991, we negotiated a program to provide you on an interim basis with our XE asbestos disc pucks to support your "ES" product line. Since that time, we have also begun supplying you with our H2 NAO disc pucks in support of your "AS" product line. We have appreciated this opportunity to supply you with both of these materials. However, we are now implementing the final phases of our NAO conversion strategy. This means that we will discontinue production of asbestos disc pucks during the first quarter of this year. As a result, we must regrettably inform you that we will no longer be able to accept orders for our XE material after February 29, 1992. We will, however, honor all existing orders up through this date and hope this action does not cause any major inconvenience to your operations.

Your inquiry with respect to us providing labeling distinction between the currently supplied "AS" and "ES" lines will be honored. Enclosed are some sample labels for your review and approval. After your approval, we will implement their use as quickly as possible, even though the current "ES" formula will be discontinued soon.

In the coming months, rigid and flexible asbestos drum segments will also be phased out. For your review and consideration, I will provide you in the near future with more detail, including NAO replacement material proposals, pricing, and timing.

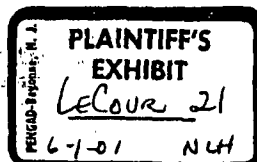
We certainly value the Rayloc business at all locations and wish to assure you that we are committed to offering you a full

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