MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 11, 1991

Harrah's Lake Tahoe

Stateline, Nevada

DIRECTORS PRESENT

Robert E. Nelson	Abex Corporation - Friction Products Group
Rita Grisham	Ferodo America, Inc.
Andy Gagnon	Frictiontech Inc.
Ron Randall	HKM of California, Corp.
Douglas Willsie	ITT Automotive Parts Supply Div.
William Wood	Motion Control Ind.
Doreen Tomao	Raymark Friction Company
F. William Barton	Reddaway Manufacturing Co.
Ronald Moalli	TEK-Motive, Inc.

OTHERS PRESENT

Larry Mintman, President	Certified Brakes Allied Signal, Inc.
Thomas P. Weldy, Counsel	Payne, Morehouse, Shafer & Harlow Attorneys at Law
Gilbert N. Laycock	Friction Materials Standards Institute

Mr. Larry Mintman, President, called the meeting to order at 4:15 P.M. June 11, 1991.

ELECTION OF OFFICERS

Mr. Mintman called for nominations for officers. The Nominating Committee recommended the following slate of officers:

President - Mr. Larry Mintman
Vice President - Ms. Rita Grisham
Treasurer - Mr. Edward F. Eggert
Secretary - Mr. Gilbert N. Laycock

Mr. Mintman called for any additional nominations from the floor. There were none.

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

RESOLVED: That the nominations for Officers be closed.

Whereupon the Secretary was instructed to cast one ballot for the election of Mr. Larry Mintman for President, Ms. Rita Grisham for Vice President, Mr. Edward F. Eggert for Treasurer and Mr. Gilbert N. Laycock for 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:

Larry Mintman	-	President
Rita Grisham	-	Vice President
Edward Eggert	-	Treasurer
Gilbert N. Laycock	-	Secretary

RETENTION OF COUNSEL

The Secretary advised that according to Article VII of the By-Laws, at each Annual Meeting legal counsel shall be retained for the ensuing year.

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

RESOLVED: That Mr. Thomas Weldy or designated replacement from the firm of Payne Morehouse Shafer & Harlow be retained as Institute Counsel and that services be paid on a time and charges basis.

RETENTION OF AUDITORS

The Secretary recommended the retention of Auditors for the ensuing year.

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 for the ensuing year.

BUDGET - JULY 1, 1991, THROUGH JUNE 30, 1992

The outgoing Board of Directors reviewed and recommended approval of an Expense Budget of $156,200 for the 1991-92 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 $156,200 approved by the Members be adopted for the July 1, 1991 - June 30, 1992 fiscal year.

FEE FORMULA - JULY 1, 1991 - JUNE 30, 1992

The outgoing Board of Directors had earlier recommended a Fee Formula for the 1991-92 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, 1991, 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, 1991, the annual fee for Regional Members (Regular) would be $1,600; Regional Member (Association) $2,600; Licensee: $600.

A discussion followed concerning the triggers for adjustment of fee structure up or down based on a three year average of "excess of total income over expenses" as compared to the Institute reserve. The intent is to maintain the reserve at "constant dollars" by adjusting the Membership dues upward when the three year average of "excess of total income over expenses" is negative and downward when the three year average of "excess of total income over expenses" is greater than 6% of the Institute reserve. One Director suggested that these should be guidelines which could be adjusted if the economy suddenly moves into double digit inflation. A 6% maximum growth rate with double digit inflation would result in shrinking dollars. It was also noted that there will be a one year lag in any fee adjustment because audited year end closing figures are not available until several months after the first billing period of the fiscal year and any fee adjustments should be made based on "hard" numbers rather than projected year end figures.

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

RESOLVED: The following are guidelines for the Fee Formula Committee to use for adjustment of Membership Dues:

- o If the three year average "Excess of total income over expenses" is greater than 6% of the Institute reserve Membership Dues will be lowered.
- o If the three year average "excess of total income over expenses" is negative (indicating a loss) Membership Dues will be raised.

DATE and LOCATION OF ANNUAL MEETING

The Annual Meeting Committee recommended the La Quinta Hotel Golf & Tennis Resort in La Quinta, California with Grand Traverse Resort Village in Grand Traverse Village, Michigan as a backup.

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

RESOLVED: The next meeting of the Board of Directors and Membership is scheduled for June 1992 at La Quinta Golf & Tennis Resort. 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.

RESOLVED: Grand Traverse Resort Village in Grand Traverse, Michigan will be the backup site.

RESOLVED: Pending a Constitution revision to allow meeting on days other than "Tuesday and/or Wednesday" the Annual Membership Meeting will be held on June 7-8, 1992, with the Board of Directors Meeting on June 6, 1992.

RESOLVED: The backup Annual Meeting dates will be June 13-14, 1992 with Board Meeting on June 12, 1992.

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

RESOLVED: To adjourn.

Adjourned at 5:00 P.M.

G. N. Laycock
Secretary