

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY
CONVEYING PARTY DATA	
Name	Execution Date
CIT Group/Business Credit, Inc.	02/19/2008
RECEIVING PARTY DATA	
Name:	Raytech Composites, Inc.
Street Address:	1204 Darlington Avenue
City:	Crawfordsville
State/Country:	INDIANA
Postal Code:	47933
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	6484853
Patent Number:	6830798
Patent Number:	7354638
Application Number:	10755612
Application Number:	11035936
CORRESPONDENCE DATA	
Fax Number:	(215)963-5001
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	2159634764
Email:	smccullen@morganlewis.com
Correspondent Name:	Sharon McCullen
Address Line 1:	1701 Market Street
Address Line 4:	Philadelphia, PENNSYLVANIA 19103
ATTORNEY DOCKET NUMBER:	100359-0001
NAME OF SUBMITTER:	Sharon B McCullen

CH \$200.00 6484853

Total Attachments: 6

source=CIT Payoff#page1.tif

source=CIT Payoff#page2.tif

source=CIT Payoff#page3.tif

source=CIT Payoff#page4.tif

source=CIT Payoff#page5.tif

source=CIT Payoff#page6.tif

The CIT Group/Business Credit, Inc.
10 South LaSalle Street
Chicago, Illinois 60603

February 19, 2008

Raytech Corporation
711 Tech Drive
Crawfordsville, Indiana 47933
Attn: General Counsel

Re: Pay-Off/Release Arrangements

Ladies and Gentlemen:

Reference is made to that certain Financing Agreement dated as of June 26, 2006, as amended (the "Financing Agreement"; and together with all documents, instruments and agreements at any time executed and/or delivered to the Lender in connection therewith, the "Financing Agreements"), by and among each of Raytech Corporation, a Delaware corporation ("Raytech"), Raybestos LLC, a Mississippi limited liability company ("Raybestos LLC"), Raytech Composites, Inc., a Delaware corporation ("Composites"), Raybestos Products Company, a Delaware corporation (successor by merger to RIH, LLC, an Indiana limited liability ("RIH") ("Raybestos"), Raybestos Automotive Components Company, a Michigan corporation ("Raybestos Automotive"), Raytech Powertrain, Inc., a Delaware corporation ("Raytech Powertrain"), Allomatic Products Company, a Delaware corporation ("Allomatic"), Raytech Systems, Inc., a Delaware corporation (successor by merger to RIHL, LLC, an Indiana limited liability company ("RIHL") ("Raytech Systems"), Raybestos Powertrain, LLC, an Indiana limited liability company ("Raybestos Powertrain"), Raytech Innovative Solutions, LLC, an Indiana limited liability company ("Raytech Innovative") and Raytech China Holding Company, LLC, an Indiana limited liability company ("Raytech China"; and, together with Raytech, Raybestos LLC, Composites, Raybestos, Raybestos Automotive, Raytech Powertrain, Allomatic, Raytech Systems, Raybestos Powertrain and Raytech Innovative, collectively, the "Borrowers" and each a "Borrower"), jointly and severally, the financial institutions party to the Financing Agreement (together with their respective successors and registered assigns, the "Lenders") and The CIT Group/Business Credit, Inc., as administrative agent for the Lenders ("Agent"). All capitalized terms which are not defined hereunder shall have the same meanings as set forth in the Financing Agreement.

1. The Agent understands that the Borrowers intend to pay in full all Revolving Loans and the Term Loan under and as defined in the Financing Agreement on February __, 2008 (the "Target Date"). The amount of the obligations agreed to be paid by Borrowers to the Agent as of the Target Date is \$26,805,402.83, comprised of (i) \$17,073,375.15 with respect to principal represented by outstanding Revolving Loans, (ii) \$9,375,000.00 with respect to the outstanding principal on the Term Loan, (iii) \$126,076.16 with respect to accrued interest, (iv) \$202,391.52 with respect to outstanding fees, (v) \$28,560.00 with respect to outstanding costs and expenses, including outstanding legal fees. Said amount, together with the Back Stop Letter of Credit, is hereinafter referred to collectively as the "Pay-Off Amount." If the Pay-Off

Amount is not received by Agent as provided herein on the Target Date, the Pay-Off Amount shall be increased by \$6,868.17 representing accrued interest on the Revolving Loans and the Term Loans for each day after the Target Date to but excluding the actual date of payment (the "Pay-Off Date"). In addition to the foregoing, the Borrowers have agreed to provide Agent with a letter of credit in form and substance acceptable to Agent (the "Back Stop Letter of Credit") in a stated amount equal to 110% of the outstanding face amount of all letters of credit set forth on Exhibit A hereto to be held as collateral until such time as such letters of credit expire in accordance with their terms or are cancelled or otherwise are returned to the Agent by the Borrowers.

2. Payment of an amount equal to the Pay-Off Amount should be made by wire transfer as follows (the "Payment Instructions"):

Agent:	JPMorgan Chase Bank The CIT Group/Business Credit, Inc. New York, New York
ABA No.:	021000021
Account No.:	144064425
Ref:	For the Benefit of Raytech Corporation

Upon receipt of the Pay-Off Amount and the Back Stop Letter of Credit by Agent pursuant to the Payment Instructions, on or before 3:00 p.m. Central Standard Time on the Pay-Off Date, Agent and each Lender hereby (i) confirms that the Obligations are satisfied in full and terminated, (ii) releases all assignments, pledges, security interests, and other liens on any and all real and personal property assets of Borrowers which may have been granted to Agent, including, without limitation, the capital stock of Raytech Composites Europe GmbH, (iii) releases all guarantors from any guaranty of the obligations of Borrowers, (iii) authorizes Borrowers, at Borrowers' expense, following written confirmation of receipt of the Pay-Off Amount by Agent to Borrowers, to file such security interest and other lien amendments, releases and termination statements as are necessary to terminate Agent's interest in the property of Borrowers and release all guarantors, (iv) agrees to execute and deliver to Borrowers such other documents as may reasonably be requested by Borrowers in connection with Agent's above-described release of its security interests and other liens and interests, all at Borrowers' expense and (v) agrees to forward to Borrowers all original stock certificates in Agent's possession within one (1) Business Day following the Pay-Off Date. Agent further acknowledges and agrees that the amount set forth under item (iv) in Paragraph 1 is an estimated amount, and that it shall return to Borrowers, within thirty (30) days after the receipt of the Pay-Off Amount by Agent, any excess amount paid by Borrowers to Agent under such item (iv) in Paragraph 1 hereof after the payment by Agent of all such outstanding costs and expenses.

3. In consideration of the foregoing, by its signature below, each Borrower acknowledges, confirms and agrees that the Agent and its respective successors and assigns are hereby discharged and released from and with respect to all actions, claims or demands which such Borrower have or could assert against the Agent under, in connection with or in any manner related to the Financing Agreements.

4. If the Pay-Off Amount, the Back Stop Letter of Credit and this letter executed by Borrowers are not received by the Agent on or before 3:00 p.m. Central Standard Time, on any date such Pay-Off Amount and Back Stop Letter of Credit shall be deemed to have been received on the next succeeding Business Day.

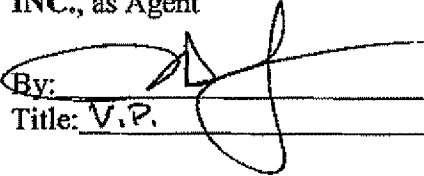
5. The Borrowers acknowledge that the Agent's rights are reserved in and to any checks or similar instruments for the payment of money heretofore received and retained by the Agent in connection with the accounts receivable assigned to the Agent under the Financing Agreements and in and to any money due or to become due by reason of such checks or similar instruments, and/or the proceeds thereof, and/or all of the Agent's claims thereon. Accordingly, the Borrowers (a) acknowledge that the Agent may not yet have received full and final credit for all checks or similar instruments for the payment of money heretofore delivered to the Agent by the Borrowers or their customers pursuant to the provisions of the Financing Agreements and deposited by the Agent for collection, the amount of which checks and similar instruments have nevertheless been credited to the Borrowers in the computation of the sums owing to the Agent; (b) agree to reimburse and pay the Agent, jointly and severally, or cause the Agent to be reimbursed or paid promptly upon the Agent's demand, the full face amount (plus protest or other bank charges) of any such checks or similar instruments heretofore delivered to the Agent by the Borrowers or their customers, which may hereafter be dishonored or returned unpaid to the Agent for any reason whatsoever; and (c) agree to indemnify and hold the Agent harmless from and against any and all loss, liability or damage whatsoever by reason of claims made under (a) and (b) above.

In the event Agent receives any checks or other remittances in payment of Borrowers' accounts receivable, Agent shall promptly forward such checks to the above referenced address of Raytech Corporation in-kind. In the event Agent receives any payment of Borrowers' accounts receivable via wire transfer or ACH transaction, Agent shall promptly (and not later than two Business Days after such receipt) notify Jon Shell at Raytech Corporation thereof and remit such collections to such account of Raytech Corporation as Jon Shell shall direct Agent in writing.

Please acknowledge the agreements of the Borrowers to the terms and provisions of this letter by signing below. This letter may be executed in any number of counterparts and by Agent and Borrowers on separate counterparts, each of which shall constitute an original but all of which, taken together, shall constitute a single agreement. A facsimile or other electronically transmitted copy of this letter shall have the same force and effect as an original hereof personally delivered to the intended recipient.

Very truly yours,

**THE CIT GROUP/BUSINESS CREDIT,
INC., as Agent**

By: 
Title: V.P.

ACKNOWLEDGED AND AGREED TO
this ___ day of February, 2008:

BORROWERS:

RAYTECH CORPORATION

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYBESTOS, LLC

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYTECH COMPOSITES, INC.

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYBESTOS PRODUCTS COMPANY
(successor by merger to RIH, LLC, an
Indiana limited liability company)

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

**RAYBESTOS AUTOMOTIVE
COMPONENTS COMPANY**

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYTECH POWERTRAIN, INC.

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

ALLOMATIC PRODUCTS COMPANY

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYTECH SYSTEMS, INC. (successor by
merger to RIHL, LLC, an Indiana limited
liability company)

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

RAYBESTOS POWERTRAIN, LLC

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

**RAYTECH INNOVATIVE SOLUTIONS,
LLC**

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

**RAYTECH CHINA HOLDING
COMPANY, LLC**

By: Curtis H. Short
Name: Curtis H. Short
Its: Senior Vice President and Chief
Financial Officer

EXHIBIT A

OUTSTANDING LETTERS OF CREDIT

<u>Issuer</u>	<u>Date</u>	<u>Beneficiary</u>	<u>Face Amount</u>
JPMorgan Chase Bank, N.A.	December 13, 2006	Greenwood Utilities 101 Wright Place Greenwood, MS 38930	\$70,000.00
JPMorgan Chase Bank, N.A.	November 6, 2007	Employers Insurance Company of Wausau, H.O. Financial Credit Attn: S.J. Whalen, Securities Analyst 175 Berkeley Street Boston, MA 02117	\$1,200,000.00

CHICAGO#1744324.5