



## **IMPORTANT NOTICE ABOUT TERMS OF PROPOSITION 65 SETTLEMENT REGARDING WHEEL BALANCING WEIGHTS**

As you may know, the Center for Environmental Health ("CEH"), a public interest organization in California, notified Perfect Equipment (and other defendants) that it intended to sue Perfect for alleged violations of California's Proposition 65, which prohibits the discharge of certain chemicals to sources of drinking water in California. CEH claimed that wheel balancing weights manufactured by Perfect, which historically have been made of lead, contaminate California's water supply when they fall off of tires near surface water ditches and storm drains. Perfect and the other defendants denied these claims, and specifically denied that their wheel balancing weights have contaminated California's water supply.

We are writing to notify our customers that we have settled this lawsuit, and that the settlement protects not just Perfect, but also our customers, **provided that we comply with certain conditions described here**. The settlement defines our customers as all auto manufacturers, distributors and retailers, auto parts distributors and retailers, tire manufacturers, distributors and retailers, tire installers, auto and tire repair businesses, wheel balancing weight distributors and retailers, and all other persons and entities, who use, install, sell or distribute Perfect's wheel balancing weights. A judge in California approved the settlement on August 20, 2008.

The settlement resolves and releases all claims CEH asserted, or could have asserted, under Proposition 65 or any other law or regulation, against Perfect and our customers, based on the alleged discharge or release of lead from Perfect's wheel balancing weights to sources of drinking water, **but only for those weights shipped into California prior to December 31, 2009**. This means that Perfect will stop shipping into California any wheel balancing weights that contain lead before December 31, 2009.

Moreover -- and this is critically important -- our customers will not be released from liability, and could be sued, if they use, install, sell or distribute in California, on or after December 31, 2009, any wheel balancing weights manufactured by Perfect or any other person or entity that contain lead in the amount of 0.1% or more by weight. **This means that you should cease using, installing, selling or distributing in California wheel balancing weights that contain any lead, no matter who manufactured the weights, before December 31, 2009**. Otherwise you risked being sued under Proposition 65.

If you have any questions about the settlement we have reached with CEH, or would like a copy of it, please feel free to call us.