



Date: June 09, 2008

Jay Wells
Wells Sweeping Company
5425 Marmith Avenue
Sacramento, CA 95841

Re: Tier III Conversions

Dear Jay:

After considerable review of the regulations set forth by the California Air Resources Board (CARB) on old style Tier 1 and Tier II engines, it is clear that the only option you have at this point is to replace the complete unit and chassis with new product.

Although as an original equipment manufacturer of street sweepers we appreciate the direction that CARB is going as this direction equates to increased sales opportunities within the State of California for our company. Yet, we also understand that completing a fleet replacement in such a short period is financially impossible, especially in the challenged economic situation of which we are currently experiencing.

With regard to the retrofitting of which you inquired, Schwarze Industries, Inc. does not have any plans to offer these types of kits for our products as changes to the various products from Tier I and Tier II to Tier III are drastic and are not be able to be adapted to older products prior to our 2008 year model. An example is our Model A7000 Regenerative Air Street Sweeper. The changes from Tier I and Tier II to Tier III require a new engine module, redesigned exhaust, clean air inlet and hopper. Additionally, the Tier III products require a larger cab-to axle and wheelbase for mounting virtually making a re-power impractical.

As for the chassis retrofitting, according to various chassis manufacturers they will not be offering any type of re-power of existing chassis. This is due to the same issues encountered by Schwarze Industries, Inc. with regards to available space and overall cost.

Again, we fully understand your as well as your competitors' situation. But, at this time based on the new CARB regulations your only option seems to be the replacement of your current machines with new Tier III compliant products. As for your older Tier I and Tier II machines, they are still compliant in other states around the US and therefore we recommend you sell these to other contractors around the US or trade-in on new products.



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There are programs that offer incentives on purchasing new products that allow for considerable tax rebates. The new Economic Stimulus Act of the 2008 is worth your review. This incentive is the largest in the history of the US and allows for a 50% bonus depreciation in 2008. Go to <http://www.2008TaxIncentives.com> for more information. There is Tax Calculator to find out how much you can save. There is also information pertaining to the advantages of Financing/Leasing as well as payment calculator to see our estimated monthly payments.

If we can be of any assistance to you, please feel free to call.

Sincerely,

A handwritten signature in black ink that reads "Raymond Massey".

Raymond Massey
National Sales Manager

Cc: Frank Wheeler – MME
Frank Clanton – Regional Sales Manager