

Product Bulletin



Vapor Systems Technologies, Inc.
650 Pleasant Valley Drive
Springboro, Ohio 45066 (USA)
Toll Free: 1-888-878-4673
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UPDATE:

VST Balance Nozzles with Clips
and Secondary Release Mechanism

09.29.10

The last few months have been full of focused efforts by VST to address the California regulatory agencies' positions regarding the currently-approved VST EVR nozzles and future nozzles that will include hold-open latches with a Secondary Release Mechanism (*SRM*). Although the issues have been complex, this memo is intended to update and guide you through the next steps that VST will likely be implementing for the future. As you know, however, the State and various third parties may take action that requires VST to modify its current plan. VST hopes this is not the case, but please be advised that nothing herein shall prevent the company from changing course if necessary and appropriate.

That being said, VST is pleased to report that significant progress has been made since the company's last communication on the subject of the nozzles. As you will see, VST is now in a position to offer more guidance and alternatives than were available in the recent past.

1. Effective September 22, 2010, CARB approved VST's newly developed and tested *SRM* componentry for our nozzle. (See CARB letter attached.)
2. Per the regulatory agencies' approvals, VST will offer 2 catalog numbers of VST model number VST-EVR-NB nozzles through this transition period.
 - a. Nozzles without clips may be ordered under the current catalog part numbers:
 - VST-EVR-NBcc (new)
 - VST-EVR-NBccR (rebuild)
 - b. Nozzles with clips and the SRM technology may be ordered under the catalog numbers:
 - VST-EVR-NBcc-1 (new)
 - VST-EVR-NBccR-1 (rebuild)

cc = Color Code for the nozzle scuff guard

3. VST tooling and raw materials to support the *SRM*-style nozzle build have been ordered and production ramp-up has begun. Deliveries will be dependent on industry demand with initial shipments to swap Distributor inventories targeted for the week of October 18th. Please note that this is simply a target date and may be advanced or delayed, depending on production, orders and tooling.
4. VST will ship new nozzles for re-build nozzle orders until enough cores are available to meet industry demand.
5. VST will be offering a \$105.00 core value for each VST nozzle core returned.
6. The enhanced core value will be available through January 31, 2011.

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Frequently Asked Questions (FAQ)

- Q: Is VST currently accepting orders for the SRM-style nozzle?**
A: Yes. Though our Distribution network, VST is accepting orders today. New orders will be serviced after VST completes the initial Distributor inventory swap. Future deliveries will be determined by industry demand.
- Q: Who should GDF owners work with when they wish to transition to the new VST SRM-style nozzle?**
A: You should work through your normal petroleum equipment supplier contacts. VST only sells through an established Distribution network. California Distributor listings may be found at http://www.vsthose.com/distributor_default.aspx.
- Q: Is there an “enhanced” core value for swapping existing nozzles currently in service for SRM- style nozzles?**
A: Yes. In an effort to assist the marketplace in upgrading to the latest technology, VST will offer an enhanced core value of \$105.00/nozzle core.
- Q: How long will the “enhanced” core value be available?**
A: VST will offer “enhanced” core values for cores received by January 31, 2011.
- Q: How will we be able to distinguish the difference between the 2 catalog series products?**
A: SRM nozzles have a different catalog number and packaging will be marked with yellow labels on the boxes.
- Q: What is the List Price for the SRM-style nozzle?**
A: The List Price is the same for all catalog numbers of the VST model VST-EVR-NB nozzles.
- Q: Is the SRM technology a field retrofit item?**
A: Currently, this is not a field retrofit item.
- Q: Will the SRM-style nozzle fit dispenser cradles in the market place?**
A: To date, VST has identified one dispenser cradle (Gilbarco Encore®) that will require a snap-in plate for proper interface with the VST SRM-style nozzle. This snap-in plate will be available from VST.
- Q: How should Distribution handle nozzles that have been in service?**
A: Nozzles that have been in service should be returned to VST in one of 2 ways:
a. Through the normal warranty process where applicable.
b. Through the established core program.

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Q: Is a nozzle that has had the clip removed considered a warranty nozzle?

A: No. A removed clip does not, by itself, give rise to a warrantable claim as the removal of the hold-open clips was mandated by the State of California without regard to whether or not nozzles were working properly. In fact, VST nozzles continue to work properly, even without the clips. If a nozzle is still within the warranty period and has an actual defect, (not simply the removal of the clip), VST will handle the product in the ordinary course of its warranty program.

Q: How will warranties be handled for VST nozzles?

A: The warranty program and process remains the same.



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

September 22, 2010

Mr. Glenn K. Walker, President
Vapor Systems Technologies, Inc.
650 Pleasant Valley Drive
Springboro, Ohio 45066

Dear Mr. Walker:

In a letter dated August 10, 2010, you requested Air Resources Board (ARB) evaluation of a secondary hold-open latch release mechanism (SRM) on the Vapor Systems Technologies (VST) enhanced vapor recovery (EVR) nozzle, models VST-EVR-NB and VST-EVR-NB-R. The purpose of the hold-open latch release mechanism is to ensure the nozzle lever is disengaged (e.g. fuel and vapor valve closed) at any time the nozzle is placed back into the dispenser cradle. Figure 1 shows the VST EVR nozzle with the hold-open latch release mechanism. The VST nozzle model number will not change. As shown in Figure 1, VST nozzle model number will be placed on the bottom of the nozzle hand guard.

To support your request, you included a drawing and a durability report on the SRM. The VST EVR nozzles with SRM were also installed at a gasoline dispensing facility (GDF) for the purpose of ARB staff "in-use" evaluation. In addition, VST and ARB staff visited several GDFs to ensure the SRM operated properly when hung on different makes and models of dispensers. At this time, ARB staff is only aware one dispenser, Gilbarco Encore series, that will need a plate inserted on the bottom of the dispenser nozzle cradle. When VST determined that other dispenser models may need special installation instructions or parts for proper operation of SRM, VST shall notify ARB staff and issue a Technical Service Bulletin. For these cases, VST will provide instructions, and parts if applicable.

ARB has received approval for the VST EVR nozzle with SRM from the following State Agencies:

- Department of Forestry and Fire Protection
Office of the State Fire Marshal
- Department of Industrial Relations
Division of Occupational Safety and Health
- Department of Food and Agriculture
Division of Measurement Standards
- State Water Resources Control Board
Division of Water Quality

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Mr. Glenn K. Walker
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ARB has determined that addition of the SRM on the VST EVR nozzle will not affect the performance of the vapor recovery system. Therefore, pursuant to Section 18.2.4 of Vapor Recovery Certification Procedure 201 (CP-201), amendments to Executive Orders VR-203-A to H, VR-204-A to H, VR-205-A to B, and VR-209-A are not necessary. The VST nozzle with SRM is hereby approved for use in California.

On August 24, 2010, ARB approved the VST nozzle without the hold open latch for use in California. This approval of the VST nozzles with SRM does not revoke or supersede the approval of VST nozzles without the latches. GDF operators will have the option of continuing to use VST nozzles without hold open latches or opt to replace them with VST nozzles with SRM.

If you have questions, please contact Pat Bennett at (916) 322-8959 or via email at pbennett@arb.ca.gov, or George Lew at (916) 327-0900 or via by email at glew@arb.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alberto Ayala', with a long horizontal flourish extending to the right.

Alberto Ayala, Ph.D., M.S.E.
Chief, Monitoring and Laboratory Division

cc: See next page.

Mr. Glenn K. Walker
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cc: Ben Ho
Office of the State Fire Marshal

James Parsegian
Office of the State Fire Marshal

Jay McKeeman
California Independent Oil Marketers Association

Sunny Campbell
California Service Station and Automotive Repair Association

Tupper Hull
Western States Petroleum Association

James White
BP/ARCO

John Marvin
Bay Area Air Quality Management District

Kevin Tokunaga
Glenn County Air Pollution Control District

Randy Smith
San Diego County Air Pollution Control District

Matt Stevens
Department of Food and Agriculture

Joel Foss
Department of Industrial Relations

Kevin Graves
State Water Resources Control Board

Figure 1

VST EVR Nozzle with Secondary Hold-Open Latch Release Mechanism (SRM)

