The Placer County Air Pollution Control District, the Sacramento Metropolitan Air Quality Management District, and the Yolo-Solano Air Quality Management District (hereafter, the “SACRAMENTO REGIONAL AIR DISTRICTS”), have adopted regulations governing the operation of Internal Combustion (IC) engines rated at 50 horsepower or greater, including portable IC engines. The California Air Resources Board (ARB) has also adopted a Portable Equipment Registration Program (hereafter, “PERP”), which is a voluntary program that preempts the local Districts’ permitting requirements under specific conditions.

The United States Environmental Protection Agency (US EPA) established emission standards applicable to diesel fired IC engines, which were phased-in (Tier 1, Tier 2, Tier 3, and Tier 4) over approximately 20 years. Non EPA-certified engines (generally manufactured prior to 1996 or 2000, depending on the horsepower) are commonly known as Tier 0 engines.

Few if any Tier 0 engines would meet the permit requirements adopted by the SACRAMENTO REGIONAL AIR DISTRICTS and Tier 0 engines that have not previously been registered in the PERP can not currently enter the PERP.

Operation of unpermitted or unregistered IC engines greater than 50 hp within the SACRAMENTO REGIONAL AIR DISTRICTS violates the regulations adopted by the districts, as well as Title 17 of the California Code of Regulations, section 93116, and the ARB “Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater” (hereafter, “ATCM”). Consequently, the owner/operator of the unpermitted or unregistered IC engine is liable for penalties under California Health and Safety Code Section 42402 et seq. on each day that the equipment is operated within one of the SACRAMENTO REGIONAL AIR DISTRICTS.

The SACRAMENTO REGIONAL AIR DISTRICTS are offering to enter this Regional Compliance Agreement (hereafter, “AGREEMENT”) to allow limited relief from the permitting and registration requirements of SACRAMENTO REGIONAL AIR DISTRICTS’ regulations, as follows:

1. COMPANY owns or operates Tier 0 IC engine(s) that is/are operated in one or more of the SACRAMENTO REGIONAL AIR DISTRICTS and is/are neither district-permitted nor registered under the PERP and is opting to enter this AGREEMENT.

2. The ADMINISTERING AGENCY represents the SACRAMENTO REGIONAL AIR DISTRICT in this AGREEMENT and is the Agency responsible for executing, administering, and enforcing this AGREEMENT.

3. COMPANY certifies that:

   A. EXHIBIT I, List of Un-Permitted and Un-Registered Engines, is a true, accurate, and complete list of all portable IC engines owned or operated by COMPANY that:
      i. have a rating of greater than 50 horsepower,
      ii. are operated in the SACRAMENTO REGIONAL AIR DISTRICTS,
      iii. are subject to the ATCM, and
      iv. are not currently permitted with the SACRAMENTO REGIONAL AIR DISTRICTS or PERP-registered.

   B. Each portable IC engine listed in the EXHIBIT I will be operated less than 12 continuous months at any one location within the SACRAMENTO REGIONAL AIR DISTRICTS’ jurisdiction.

   C. Each portable IC engine listed in EXHIBIT I was operated in California between March 4, 2004 and October 1, 2006.

4. COMPANY agrees that, for all engines listed in EXHIBIT I, it will do the following:

   A. For engines that are EPA certified, obtain and maintain a PERP. In order to enforce this requirement, COMPANY agrees to: 
i. file a complete application for the registration with the ARB no later than two (2) weeks following the date of this AGREEMENT.

ii. send a copy of the registration application to the ADMINISTERING DISTRICT no later than two (2) weeks following the application submittal date.

iii. forward a copy of the registration to the ADMINISTERING DISTRICT within two (2) weeks of when it is issued from the State.

iv. notify ADMINISTERING DISTRICT in writing if a registration for each portable engine which has not been granted with 120 days of the date of this AGREEMENT.

v. comply with PERP notification, recordkeeping, and labeling requirements.

B. For engines that are not EPA certified, COMPANY agrees to:

i. Upon execution of this AGREEMENT, pay to ADMINISTERING DISTRICT, as the representative of SACRAMENTO REGIONAL AIR DISTRICTS, a penalty of $2,850 for each engine.

ii. For the duration of this AGREEMENT, comply with the Operating Conditions of Exhibit II, Operating Conditions.

iii. For the duration of this AGREEMENT, maintain a copy of this AGREEMENT, including EXHIBITS I and II, on the same premises that each portable IC engine listed in Exhibit I is operated, and make the copy available for inspection upon request by any representative of SACRAMENTO REGIONAL AIR DISTRICTS.

iv. By January 1, 2010, provide proof to the ADMINISTERING DISTRICT that the IC engine(s) have been permanently removed from service in California. Proof may be in the form of photographs showing that each engine has been rendered permanently inoperable, documents showing the sale of the equipment to parties outside of California, or a signed declaration by a responsible official of the COMPANY under penalty of perjury declaring that the engine has been permanently removed from service in California.

5. Provided that COMPANY complies with terms this AGREEMENT, SACRAMENTO REGIONAL AIR DISTRICTS agree that no further enforcement action will be taken for not possessing either a district permits or PERP registration for the engines listed in EXHIBIT I between the effective date of this AGREEMENT and December 31, 2009. The operation of un-permitted or un-registered engines by COMPANY that are not listed in EXHIBIT I after the date this AGREEMENT is executed shall be deemed a knowing and intentional violation of the permit and registration requirements of SACRAMENTO REGIONAL AIR DISTRICTS and the ATCM.

6. SACRAMENTO REGIONAL AIR DISTRICTS may take or complete other appropriate enforcement action (including assessing additional penalties) against COMPANY to recognize and resolve violations that occurred prior to the effective date of this AGREEMENT.

7. SACRAMENTO REGIONAL AIR DISTRICTS may take enforcement action (including assessing additional penalties) against COMPANY if COMPANY fails to meet any of the terms or conditions of this AGREEMENT, including the operating conditions specified in Exhibit II.

8. COMPANY’S failure to meet the terms and conditions of this AGREEMENT may be cause for revocation or termination of this AGREEMENT by the ADMINISTERING DISTRICT. The ADMINISTERING DISTRICT will provide 10-days written notice of its intent to revoke or terminate this AGREEMENT at the address below. Upon the revocation or termination, any portable engines owned or operated by COMPANY, including those that are listed in EXHIBIT I, that are not either district-permitted or PERP registered are subject to enforcement action by SACRAMENTO REGIONAL AIR DISTRICTS.

9. Any evidence obtained in relation to this AGREEMENT, either before or after its effective date, may be used in any enforcement action.

10. The person executing this AGREEMENT on behalf of COMPANY affirmatively represents that he or she has the requisite legal authority to enter into the AGREEMENT on behalf of COMPANY and to
bind COMPANY to the terms and conditions of this AGREEMENT. Both the person executing this AGREEMENT on behalf of COMPANY and COMPANY understands that both the ADMINISTERING DISTRICT and the SACRAMENTO REGIONAL AIR DISTRICTS are relying on this representation in entering into this AGREEMENT.

The signatures below signify agreement with the stated terms and conditions of this AGREEMENT.

COMPANY:

__________________________ _____________________________ (____)___________
Company Name Mailing Address Phone Number

__________________________ _____________________________ _____________
Name (print) Signature Date

ADMINISTERING DISTRICT

_______________________________ ________________
Larry Greene Date
Air Pollution Control Officer / Executive Director
Sacramento Metropolitan AQMD

***Please return this agreement to:  SMAQMD
777 12TH Street
Sacramento, CA 95814
ATTN: James Espiritu
EXHIBIT I

List of all unpermitted and unregistered engines in COMPANY’S fleet

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<th>Company ID #</th>
<th>Equipment Type / Manufacturer</th>
<th>Hour Meter Reading</th>
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Sacramento
REGIONAL Portable Engine COMPLIANCE AGREEMENT
EXHIBIT II

Operating Conditions

General Requirements

1. The engine shall be properly maintained and kept in good operating conditions at all times.

2. A legible copy of the regional compliance agreement, including Exhibits I and II, shall be kept on site with the portable engine and shall be made accessible to SACRAMENTO REGIONAL AIR DISTRICTS’ representatives upon request.

3. Engine fuel shall meet standards for California motor vehicle fuels as set forth in Chapter 5, Division 3, Title 13, of the California Code of Regulations, or shall have been verified through the In-Use Strategies to Control Emissions From Diesel Engines verification procedure per Title 13 of the California Code of Regulations commencing with section 2700.

4. The engine and any replacement engine shall not reside at the same location for more than 12 consecutive months.

5. The operation of this engine shall not cause a public nuisance.

6. The engine shall be equipped with operational and properly maintained non-resettable hour time meter.

7. The operator of a portable engine shall obtain SACRAMENTO REGIONAL AIR DISTRICTS' authorization prior to operation at any specific location where the regional compliance agreement is not valid.

8. This regional compliance agreement is not valid for operation of generators used to provide power into the grid, except during an emergency event or other unforeseen event that affects grid stability.

9. This regional compliance agreement is not valid for operation of generators used to provide primary or supplemental power to a building, facility, stationary source, or stationary equipment, except during unforeseen interruptions of power from the serving utility, maintenance and repair operations, electrical upgrade operations that do not exceed 60 calendar days, and remote operations where grid power is unavailable.

10. This regional compliance agreement is not valid for operation of an engine that powers an equipment unit that has been determined by the SACRAMENTO REGIONAL AIR DISTRICTS to qualify as part of a stationary source permitted by a district. This determination can be made by any specific District (within the SACRAMENTO REGIONAL AIR DISTRICTS) in which the equipment is operating.

11. The regional compliance agreement is not transferable to any owner other than the COMPANY entering the regional compliance agreement. However, if the engine is sold, the COMPANY shall provide the Administering District with notification that the engine has been sold and provide contact information for the new owner.

12. This regional compliance agreement is not valid for the operation of this engine after December 31, 2009.

13. By December 31, 2009, the operator shall provide proof to the ADMINISTERING DISTRICT that the engine has been permanently removed from service in California.

Emission Limitations
Sacramento
REGIONAL Portable Engine COMPLIANCE AGREEMENT
EXHIBIT II

Operating Conditions

14. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than 3 minutes in any one hour which is as dark or darker than Ringelmann 1 or equivalent to 20% opacity.

15. Engine emissions shall not exceed 100 pounds of Nitrogen Oxides (NOx) per day in the SACRAMENTO REGIONAL AIR DISTRICTS.

16. Engine emissions shall not exceed 10 tons of NOx per year in the SACRAMENTO REGIONAL AIR DISTRICTS.

Recordkeeping

17. Daily records shall include a log of date, regional compliance agreement number, location(s) at which the engine is operated (identified by district, county, or specific location), and total hours of operation per day. Total hours shall be determined by reading the hour meter at the start and end of operation.

18. Daily records shall be summarized on a calendar year basis, and these summaries shall be made accessible to SACRAMENTO REGIONAL AIR DISTRICTS’ representatives upon request.

19. All records shall be maintained at a central place of business for a minimum of five years, and made accessible to SACRAMENTO REGIONAL AIR DISTRICTS’ representatives upon request.

Notification

20. If a regional compliance agreement portable engine will be operating at any one location within any of the SACRAMENTO REGIONAL AIR DISTRICTS for more than five days, the operator shall notify that specific district in writing, facsimile, electronic mail, or telephone within two working days of commencing operations in that district. Notification shall include the regional compliance agreement number of the engine, name and phone number of the responsible official, and estimated number of days the engine will be located in the district. If the district has not been notified because the owner or operator did not expect the duration of operation to trigger notification, the owner or operator shall notify the district within 12 hours of determining the portable engine will be operating in the district more than five days.

Notifications shall be made to the following:

<table>
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<tr>
<th>District</th>
<th>Contact Name</th>
<th>E-mail</th>
<th>Phone #</th>
<th>Fax #</th>
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</thead>
<tbody>
<tr>
<td>Placer</td>
<td>Todd Nishikawa</td>
<td><a href="mailto:TNishika@placer.ca.gov">TNishika@placer.ca.gov</a></td>
<td>(530) 745-2330</td>
<td>(530) 745-2373</td>
</tr>
<tr>
<td>Sacramento</td>
<td>Dave Grose</td>
<td><a href="mailto:Dgrose@airquality.org">Dgrose@airquality.org</a></td>
<td>(916) 874-4800</td>
<td>(916) 874-4899</td>
</tr>
<tr>
<td>Yolo-Solano</td>
<td>Dave Smith</td>
<td><a href="mailto:Dsmith@ysaqmd.org">Dsmith@ysaqmd.org</a></td>
<td>(530) 757-3650</td>
<td>(530) 757-3670</td>
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