

Exhibit Summary Sheet

Applicant: CTL Forest Management, Inc.

Contact Person: Jeff Holland

Address: 6366 Zamora Drive, Placerville, CA 95667

Telephone: (530) 626-0995 Fax: (530)626-0414

Project Budget	AB 2766 Funds	\$ Matching Funds	In-Kind Match	Total Project Costs
Materials	\$288,134	\$20,000		\$308,134
Personnel			\$15,500	\$15,500
Other				
Total	\$288,134	\$20,000	\$15,500	\$323,634

Estimated Emission Reductions / Cost Effectiveness	As Proposed
Useful Life or Project (Years)	10
Total Lifetime Emissions Reduced Lbs of PM10	2,924,841
Annualized Cost-Effectiveness (Total Project Costs)*	\$0.13
Annualized Cost-Effectiveness (AQMD funded project costs)*	\$0.12

Brief Project Description

The proposed project is to setup a post and pole processing center near in the town of El Dorado California that will convert 4 inch to 8 inch forest materials into a posts and poles. Typically this would be considered sub-merchantable material and is open burned at the landing or is pile burned in the woods. With the new post and pole facility, forest managers will be able to reduce the cost of forest fuels reduction activities and in turn will reduce the amount of open air pile burning in El Dorado County. Since pile burning logs produces more smoke and PM10 emissions per unit weight than burning limbs, this project addresses the primary source of PM10 pollution from forestry activities.

REQUEST FOR PROPOSAL CONTENTS CHECKLIST

Applicant: CTL Forest Management, Inc.

Please complete and attach this checklist with your application.

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CTL FOREST MANAGEMENT INC.

Address: 6366 Zamora Drive, Placerville, CA 95667

Phone: (530) 626-0995

Contact Person: Jeff Holland, President and Managing Shareholder

Authorization Letter and Resolution

CTL Forest Management, Inc. hereby resolves to submit an application to the El Dorado County Air Quality Management District for a grant authorized by AB 2766. CTL Forest Management will be represented by the company President and managing shareholder Jeff Holland. Furthermore, CTL Forest Management, Inc. hereby resolves administer the grant and to comply with the grant reporting requirements of AB 2766 as administered by El Dorado County Air Quality Management District.

Signed: Jeff Holland, President

_____ Date: _____

Section 4: Project Description

Background

Over the past two decades forestry practices have changed from primarily logging for forest products to thinning forests to reduce the threat of catastrophic wildfire. This change has had negatively impacted air quality in two ways. First, vegetation management is now primarily focused on areas immediately adjacent to communities, and thus smoke from slash disposal is also immediately adjacent to communities. Second, land managers, fire districts and fire safe councils are removing vegetation that was previously left in the woods. Contracts issued today require the logger to remove all understory trees and leave the larger trees in the woods. This prescription removes the small trees from the forest fuel profile, but this vegetation is of no value to the logger. As a result, the vegetation that is being removed today is simply being burned in piles in the woods or in the landing. The result of this change of focus of land managers is obvious throughout El Dorado County during the fall, winter and spring months. Piles are ignited throughout the El Dorado County on burn days and the resulting smoke is ubiquitous. Many of the larger piles then burn through the permissive burn day and continue to burn on non-burn days. The result is a haze throughout El Dorado County during the burn season that is largely a direct result of forest fuels reduction projects. The haze is both unhealthy and deleterious to the organizations that are trying to reduce the threat of wildfire. The smoke frequently creates complaints and negative opinion pieces in local newspapers.

Budget Based Solution

The solution to the pile burning problem is to incentivize loggers and land manager to remove the sub-merchantable and process it into some value added product. Currently land managers allow pile burning even with the accompanying negative publicity because it is the only cost effective method for getting the material off of the site. On average, pile burning costs approximately \$600 per acre in the Lake Tahoe Basin and about \$200 per acre in the lower elevations of El Dorado County. If a market is created for the material, even if a small market, land managers will remove material that is ordinarily burned just to avoid the complaints and negative publicity associated with pile burning. Biomass from fuels reduction projects is bulky, heavy and low value. So while there are some markets for biomass, trucking costs have always been more expensive than the value of the product. Thus land managers or fire districts have been responsible for subsidizing the logger for the additional cost of removing biomass. Because of the increased costs associated with small log utilization, land managers have allowed and even advocated for pile burning. As mentioned earlier, pile burning is a public relations problem, but with shrinking budgets land managers have had no real choices.

CTL Forest Management, Inc. is currently working to create an alternative to pile burning that will provide land managers with an alternative to pile burning that does not increase, and may

decrease costs. This is the key point, land managers can now pile burn, have budgeted for pile burning and cannot implement costly alternatives. The only way that pile burning can be reduced is to offer an alternative, such as a small log mill and post and pole mill that will reduce costs.

Project Details

The proposed project is to purchase post and pole milling equipment that will process 4 inch to 8 inch logs into posts and poles that can then be sold to local retailers for fencing, decorative landscaping general construction. The process is as follows:

- 1) The logger or hand crew will create piles of small logs between 4 inches and 14 inches in diameter at a spot, called a landing, that has ready road access. The logs will be stored in the landing until there is at least a log trailer load.
- 2) CTL Forest Management, Inc. will load the logs onto a trailer and truck the logs to the post and pole plant located in the town of El Dorado.
- 3) Logs will be cut to specified lengths and then “peeled” into uniform diameters using the post and pole peeler requested in this grant.
- 4) The peeled logs will then be trucked from the post and pole plant to markets inside and outside of El Dorado County.

The process is very simple and the posts that are milled are fully market ready for some applications or can be pressure treated for fencing applications. Posts are a low value product but simply reducing trucking costs associated with bringing posts from outside of the county to inside the county will provide CTL Forest Management, Inc. a competitive advantage in the market.

The post and pole equipment is also very simple. In essence, the post and pole peeler is a large lathe. Logs move into the machine and are spun against a fixed knife that peels the log to the desired diameter. The waste material is moved to a chip van and will be transferred to a biomass market and the poles are loaded onto trucks for delivery to wholesalers. The machine is capable of processing 75-100 tons per day of small logs that would ordinarily be pile burned.

Project Feasibility

The proposed project is a component of a small log mill that CTL Forest Management, Inc. is currently developing in the town of El Dorado. CTL Forest Management, Inc. and its partners have invested nearly \$300,000 in developing a small log mill that will mill logs between 10 inches and 20 inches in diameter. The new small log mill and the proposed post and pole peeler will create a market for wood that is currently being burned. The proposed post and

pole peeler creates a way for land managers to dispose of material headed for a burn pile and also creates a local source for wood products that are typically shipped into El Dorado County. CTL Forest Management, Inc. currently has an Indefinite Delivery and Indefinite Quantity with the U.S. Forest Service in the Lake Tahoe Basin that includes thinning over 2,000 acres of forest in El Dorado County. CTL Forest Management, Inc. also works with the El Dorado National Forest and is well known in the forest management community. Thus CTL Forest Management Inc. will be able to supply the post and pole plant with material that would have been burned in the Lake Tahoe Basin and will be able to advertise the new market for small diameter logs by word of mouth to the timber staff at the El Dorado National Forest. Because of CTL Forest Management, Inc.'s extensive contacts the plant will be able to receive material that would have been burned nearly immediately.

CTL Forest Management, Inc. has always maintained multiple markets for biomass and logs in an effort to dispose of marginally merchantable material. During the recent recession many wholesalers and retailers have approached CTL Forest Management, Inc. with offers to purchase material that has been processed. It appears there are ready markets for the posts and poles that will be manufactured.

The facility where the post and pole plant will be located is already permitted. The existing small log mill that CTL Forest Management, Inc. created in the town of El Dorado is operational. El Dorado County has stated that the post and pole mill is simply an extension of an existing operation and no further permits or licenses are necessary. This is a completely shovel ready project with land and permits in place.

CTL FOREST MANAGEMENT INC.

Address: 6366 Zamora Drive, Placerville, CA 95667

Phone: (530) 626-0995

Contact Person: Jeff Holland, President and Managing Shareholder

Organization Description

CTL Forest Management, Inc. (CTL) was formed has been in forest products and logging industry for over 15 years. During that time CTL pioneered the use of low impact equipment for logging in sensitive soils in the Lake Tahoe Basin and pioneered methods for using biomass so that large piles would not be burned in landings. Currently CTL is using cut-to-length equipment to carry biomass to landings where it is chipped into chip vans and then sold to cogeneration facilities located in Carson City, Nevada and Loyalton, California. Those biomass facilities have closed with the Nevada site closing permanently. Thus there is no longer any market for small log material that is economically viable from El Dorado County. In response to this, CTL partnered with a small wood mill in the town of El Dorado to set up a small log sawmill that can process logs between 10 inches in diameter and 18 inches in diameter. This small log mill became operational in January 2011.

CTL is now endeavoring to set up a post and pole mill to process logs between 4 inches and 8 inches in diameter. CTL currently owns all of the equipment to move the small logs from landings, cut the logs into usable lengths and then transport the processed posts and poles to markets. CTL also has a lease on land to site the processing facility that is currently permitted for log processing and sawmill activities.

CTL also currently has an Indefinite Delivery Indefinite Quantity Contract with the U.S. Forest Service to thin nearly 1,700 acres of forest lands within the El Dorado County portion of the Lake Tahoe Basin. Currently the U.S. Forest Service is completing the Environmental Impact Statement and work will likely begin in the summer of 2011. This contract ensures that CTL has a long-term supply of material for the post and pole plant. This contract also does enable CTL to burn the unmerchantable material. There is also another 3000 acres being thinned by the U.S. Forest Service that will likely be contracted to CTL.

Currently CTL is perfectly placed to utilize the AB 2766 funds to have a large effect on air quality in El Dorado County. The proposed project will create a market for wood that is today open burned and contributes to a haze throughout the El Dorado County during the burn season. CTL has the technical background to operate the new plant and has the relationships to sell the posts and poles produced.

Section 6: Emission Benefits / Cost Effectiveness

The proposed project is to purchase a post and pole milling machine that will enable forest managers to utilize small diameter logs rather than burning them in the landing or in the woods. The proposed project has three sources of emissions: trucking from the landing to the processing facility, processing the logs into posts and finally trucking from the facility. Emissions from trucking are taken from the label on the engine of the truck that will do the hauling. The emissions from the two engines on the post and pole peeler are attached to this document at Attachment 1 and Attachment 2. Emissions savings from removing logs that would be burned are calculated using the EPA AP-42, Chapter 13 Table 13.1-4: Emission Factors for Prescribed Burning by U.S. Region. The Northwest Region of the table was used for this analysis.

The trucking will be done by a 2007 Kenworth truck. The engine is a Tier 3 Cummings engine, serial number 791976 with FEL NOX+NMHC – EPA = 2.5, CARB = 2.5, PM10 – EPA = .09, CARB = .09. **Note:** The Grant instructions state to use the March 2010 Emissions Factors for trucks. However, the emissions factors in the manual are lower than the emissions factors stated on the engine. Thus to be conservative the larger PM10 number from the truck engine tag were used for this analysis.

The proposed facility will operate 150 days per year. Operations will likely be suspended during December, January and February due to weather. This limits the amount of material that will be processed. The plant will accept 3 loads per day of 4 inch to 8 inch logs. The equipment requested can process over 100 tons per day, so three loads per day is well within the design specifications of the equipment. Assuming 75 tons of wood will be processed daily is a conservative estimate.

It is assumed that the reduction in pile burning will not have any significant effect on NOx emissions because NOx is an ozone precursor and ozone is not out of attainment when most pile burning is conducted.

It is assumed that most of the material transferred to the facility will travel the length of the county. This is a conservative estimate as it is known that the El Dorado National Forest will generate significant amounts of material and that material will not travel a great distance to the post and pole mill. It is also true that all of the size material that the plant accepts would be burned under standard operating procedures for the El Dorado National Forest.

**Section 6: Emissions Benefits / Cost Effectiveness
 Calculation of Emissions for AB 2766
 Emissions Produced in Post and Pole Processing**

Trucking PM10 Emissions	Miles	Trucking Emissions		Lbs per Rnd. Trip	Lbs per 3 Trips per Day	Lbs per 150 Days per Year	Lbs per 10 Years
		PM10 Grams / Mile	PM10 Lbs. / Mile				
Emissions from Landing to Post and Pole Plant	65	0.09	0.000198	0.02376	0.07128	10.692	106.92
Emissions from plant to county line	20	0.09	0.000198	0.00792	0.02376	3.564	35.64
Total Trucking PM10 Emissions						14.256	142.56

Total Trucking NOX+NMHC Emissions	Miles	NOX+NMHC		Lbs per Rnd. Trip	Lbs per 3 Trips per Day	Lbs per 150 Days per Year	Lbs per 10 Years
		Grams / Mile	Lbs. / Mile				
Emissions from Landing to Post and Pole Plant	65	2.5	0.0055	0.66	1.98	297	2,970.00
Emissions from Trucking from plant to county line	20	2.5	0.0055	0.22	0.66	99	990.00
Total Trucking NOX Emissions						396	3,960.00

Post and Pole Processing PM10	Hours per Day	Post and Pole Processing		PM10 Lbs. / Hour	PM10 Lbs / Day	Lbs per 150 Days per Year	Lbs per 10 Years
		PM10 Grams / Hour	PM10 Lbs. / Hour				
PM10 Emissions from Main Engine	8	0.33	0.000726	0.005808	0.8712	8.712	
PM10 Emissions from Second Engine	8	0.18	0.000396	0.003168	0.4752	4.752	
					1.3464	13.464	

Post and Pole Processing NOX + NMHC	Hours per Day	NOX+NMHC		NOX+NMHC Lbs. / Hour	NOX+NMHC Lbs / Day	Lbs per 150 Days per Year	Lbs per 10 Years
		Grams / Hour	Lbs. / Hour				
PM10 Emissions from Main Engine	8	4.4	0.00968	0.07744	11.616	116.16	
PM10 Emissions from Second Engine	8	3.6	0.00792	0.06336	9.504	95.04	
					21.12	211.2	

Loader PM10	Hours per Day	PM10		PM10 Lbs. / Hour	PM10 Lbs / Day	Lbs per 150 Days per Year	Lbs per 10 Years
		Grams / Hour	Lbs. / Hour				
Loader PM10 Per Year and Decade..	5	0.2	0.00044	0.0022	0.33	3.3	

Loader NOX + NMHC	Hours per Day	NOX+NMHC		NOX+NMHC Lbs. / Hour	NOX+NMHC Lbs / Day	Lbs per 150 Days per Year	Lbs per 10 Years
		Grams / Hour	Lbs. / Hour				
Loader NOX + NMHC Per Year and Decade	5	3.5	0.0077	0.0385	5.775	57.75	

Grand Total Emissions from Post and Pole Processing

	Per Year	Per Decade
Grand Total PM10 Produced in Post and Pole Processing	15.93	159.32
Grand Total NOX + NMHC Produced in Post and Pole Processing	422.895	4,228.95

Section 6: Emissions Benefits / Cost Effectiveness

Calculation of Emissions for AB 2766

Emissions Reduced in Post and Pole Processing and Cost per Pound

	Emissions Reduced By Utilizing Wood Typically Burned				Emissions Reduced per 150 Day Year / Lbs	Emissions Reduced Per Decade / Lbs
	PM10 G / Kgm	PM10 Lbs / Ton	Tons of Wood Processed Per Day	Emissions Reduced Per Day / Lbs		
PM10 Emissions Reduced in Post and Pole Processing	13	26	75	1,950	292,500	2,925,000
NOTE: Likely no NOX + NMHC Benefit						
PM10 Emissions Produced from Post and Pole Processing in Lbs.					15.93	159.32
Net PM10 Emissions Reduction per Year and Decade in Lbs.					(292,484)	(2,924,841)
Net NOX + NMHC Emissions Increases per Year and Decade in Lbs.					422.895	4,228.95
Net Lbs. of Emissions Reduced per Year and per Decade					(292,061)	(2,920,612)

Calculation of Cost Effectiveness

	AB 2766 Funds	Total Project Costs
Project Costs	\$ 288,134.00	\$ 323,634.00
Capital Recovery Factor for 10 Year Life of Project	12%	12%
Annualized Project Costs	\$ 34,576.08	\$ 38,836.08
Cost per Lb. of Emissions Reduced	\$ 0.12	\$ 0.13

Table 13.1-4 (Metric Units). EMISSION FACTORS FOR PRESCRIBED BURNING
BY U. S. REGION

Regional Configuration And Fuel Type ^a	Percent Of Fuel ^b	Pollutant ^c			
		Particulate (g/kg)			CO
		PM-2.5	PM-10	PM	
Pacific Northwest					
Logging slash					
Piled slash	42	4	5	6	37
Douglas fir/Western hemlock	24	12	13	17	175
Mixed conifer	19	12	13	17	175
Ponderosa pine	6	13	13	20	126
Hardwood	4	11	12	18	112
Underburning pine	5	30	30	35	163
Average for region	100	9.4	10.3	13.3	111.1
Pacific Southwest					
Sagebrush	35		9	15	62
Chaparral	20	8	9	15	62
Pinyon/Juniper	20		13	17	175
Underburning pine	15		30	35	163
Grassland	10		10	10	15
Average for region	100		13.0	17.8	101.0
Southeast					
Palmetto/gallberry	35		15	16	125
Underburning pine	30		30	35	163
Logging slash	20		13	20	126
Grassland	10		10	10	75
Other	5		17	17	175
Average for region	100		18.8	21.9	134

Processor Primary Engine



JOHN DEERE POWER SYSTEMS

EXECUTIVE ORDER U-R-004-0423
New Off-Road
Compression-Ignition Engines

Pursuant to the authority vested in the Air Resources Board by Sections 43013, 43018, 43101, 43102, 43104 and 43105 of the Health and Safety Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: That the following compression-ignition engines and emission control systems produced by the manufacturer are certified as described below for use in off-road equipment. Production engines shall be in all material respects the same as those for which certification is granted.

MODEL YEAR	ENGINE FAMILY	DISPLACEMENT (liters)	FUEL TYPE	USEFUL LIFE (hours)
2011	BJDXL04.5112	4.5	Diesel	8000
SPECIAL FEATURES & EMISSION CONTROL SYSTEMS			TYPICAL EQUIPMENT APPLICATION	
Mechanical Direct Injection, Turbocharger			Loaders, Tractor, Pump, Compressor, Generator Set, Other Industrial Equipment	

The engine models and codes are attached.

The following are the exhaust certification standards (STD), or family emission limit(s) (FEL) as applicable, and certification levels (CERT) for hydrocarbon (HC), oxides of nitrogen (NOx), or non-methane hydrocarbon plus oxides of nitrogen (NMHC+NOx), carbon monoxide (CO), and particulate matter (PM) in grams per kilowatt-hour (g/kw-hr), and the opacity-of-smoke certification standards and certification levels in percent (%) during acceleration (Accel), lugging (Lug), and the peak value from either mode (Peak) for this engine family (Title 13, California Code of Regulations, (13 CCR) Section 2423):

RATED POWER CLASS	EMISSION STANDARD CATEGORY		EXHAUST (g/kw-hr)					OPACITY (%)		
			HC	NOx	NMHC+NOx	CO	PM	ACCEL	LUG	PEAK
56 ≤ kW < 75	Tier 3	STD	N/A	N/A	4.7	5.0	--	20	15	50
		FEL	--	--	--	--	0.34	--	--	--
		CERT	--	--	4.4	1.2	0.33	11	2	24

BE IT FURTHER RESOLVED: That the family emission limit(s) (FEL) is an emission level declared by the manufacturer for use in any averaging, banking and trading program and in lieu of an emission standard for certification. It serves as the applicable emission standard for determining compliance of any engine within this engine family under 13 CCR Sections 2423 and 2427.

BE IT FURTHER RESOLVED: That for the listed engine models, the manufacturer has submitted the information and materials to demonstrate certification compliance with 13 CCR Section 2424 (emission control labels), and 13 CCR Sections 2425 and 2426 (emission control system warranty).


Engines certified under this Executive Order must conform to all applicable California emission regulations.

This Executive Order is only granted to the engine family and model-year listed above. Engines in this family that are produced for any other model-year are not covered by this Executive Order.

Executed at El Monte, California on this 6 day of December 2010.

Annette Hebert, Chief
Mobile Source Operations Division

Processor Secondary Engine

	JOHN DEERE POWER SYSTEMS	EXECUTIVE ORDER U-R-004-0386 New Off-Road Compression-Ignition Engines
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Pursuant to the authority vested in the Air Resources Board by Sections 43013, 43018, 43101, 43102, 43104 and 43105 of the Health and Safety Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: That the following compression-ignition engines and emission control systems produced by the manufacturer are certified as described below for use in off-road equipment. Production engines shall be in all material respects the same as those for which certification is granted.

MODEL YEAR	ENGINE FAMILY	DISPLACEMENT (liters)	FUEL TYPE	USEFUL LIFE (hours)
2010	AJDXL06.8104	4.5, 6.8	Diesel	8000
SPECIAL FEATURES & EMISSION CONTROL SYSTEMS			TYPICAL EQUIPMENT APPLICATION	
Electronic Control Module, Direct Diesel Injection, Turbo Charger, Charge Air Cooler, Smoke Puff Limiter			Loaders, Tractor, Pump, Compressor, Generator Set, Other Industrial Equipment	

The engine models and codes are attached.

The following are the exhaust certification standards (STD), or family emission limit(s) (FEL) as applicable, and certification levels (CERT) for hydrocarbon (HC), oxides of nitrogen (NOx), or non-methane hydrocarbon plus oxides of nitrogen (NMHC+NOx), carbon monoxide (CO), and particulate matter (PM) in grams per kilowatt-hour (g/kw-hr), and the opacity-of-smoke certification standards and certification levels in percent (%) during acceleration (Accel), lugging (Lug), and the peak value from either mode (Peak) for this engine family (Title 13, California Code of Regulations, (13 CCR) Section 2423):

RATED POWER CLASS	EMISSION STANDARD CATEGORY		EXHAUST (g/kw-hr)					OPACITY (%)		
			HC	NOx	NMHC+NOx	CO	PM	ACCEL	LUG	PEAK
130 ≤ kW < 225	Tier 3	STD	N/A	N/A	4.0	3.5	0.20	20	15	50
		CERT	-	-	3.6	1.3	0.18	14	3	30

BE IT FURTHER RESOLVED: That for the listed engine models, the manufacturer has submitted the information and materials to demonstrate certification compliance with 13 CCR Section 2424 (emission control labels), and 13 CCR Sections 2425 and 2426 (emission control system warranty).

Engines certified under this Executive Order must conform to all applicable California emission regulations.

This Executive Order is only granted to the engine family and model-year listed above. Engines in this family that are produced for any other model-year are not covered by this Executive Order.

Executed at El Monte, California on this 29 day of December 2009.



Annette Hebert, Chief
Mobile Source Operations Division

Loader Engine

 AIR RESOURCES BOARD	JOHN DEERE POWER SYSTEMS	EXECUTIVE ORDER U-R-004-0433
		New Off-Road Compression-Ignition Engines

Pursuant to the authority vested in the Air Resources Board by Sections 43013, 43018, 43101, 43102, 43104 and 43105 of the Health and Safety Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: That the following compression-ignition engines and emission control systems produced by the manufacturer are certified as described below for use in off-road equipment. Production engines shall be in all material respects the same as those for which certification is granted.

MODEL YEAR	ENGINE FAMILY	DISPLACEMENT (liters)	FUEL TYPE	USEFUL LIFE (hours)
2011	BJDXL06.8117	4.5, 6.8	Diesel	8000
SPECIAL FEATURES & EMISSION CONTROL SYSTEMS			TYPICAL EQUIPMENT APPLICATION	
Electronic Control Module, Direct Diesel Injection, Turbocharger, Charge Air Cooler, Smoke Puff Limiter			Loaders, Tractor, Dozer, Pump, Generator Set, Compressor, Other Industrial Equipment	

The engine models and codes are attached.

The following are the exhaust certification standards (STD), or family emission limit(s) (FEL) as applicable, and certification levels (CERT) for hydrocarbon (HC), oxides of nitrogen (NOx), or non-methane hydrocarbon plus oxides of nitrogen (NMHC+NOx), carbon monoxide (CO), and particulate matter (PM) in grams per kilowatt-hour (g/kw-hr), and the opacity-of-smoke certification standards and certification levels in percent (%) during acceleration (Accel), lugging (Lug), and the peak value from either mode (Peak) for this engine family (Title 13, California Code of Regulations, (13 CCR) Section 2423):

RATED POWER CLASS	EMISSION STANDARD CATEGORY		EXHAUST (g/kw-hr)					OPACITY (%)		
			HC	NOx	NMHC+NOx	CO	PM	ACCEL	LUG	PEAK
75 ≤ kW < 130	Tier 3	STD	N/A	N/A	4.0	5.0	0.30	20	15	50
		FEL	--	--	3.8	--	--	--	--	--
		CERT	--	--	3.5	1.6	0.20	6	2	12

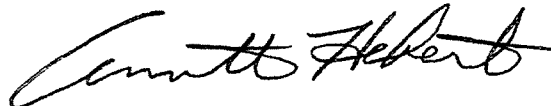
BE IT FURTHER RESOLVED: That the family emission limit(s) (FEL) is an emission level declared by the manufacturer for use in any averaging, banking and trading program and in lieu of an emission standard for certification. It serves as the applicable emission standard for determining compliance of any engine within this engine family under 13 CCR Sections 2423 and 2427.

BE IT FURTHER RESOLVED: That for the listed engine models, the manufacturer has submitted the information and materials to demonstrate certification compliance with 13 CCR Section 2424 (emission control labels), and 13 CCR Sections 2425 and 2426 (emission control system warranty).

Engines certified under this Executive Order must conform to all applicable California emission regulations.

This Executive Order is only granted to the engine family and model-year listed above. Engines in this family that are produced for any other model-year are not covered by this Executive Order.

Executed at El Monte, California on this 22 day of December 2010.



Annette Hebert, Chief
Mobile Source Operations Division

Section 7. Work Statement

The proposed project is quite simple. CTL Forest Management, Inc. already has a log processing yard permitted and in operation in the town of El Dorado. The equipment requested will be ordered and then set-up at the existing yard. Active operations will begin within two months of contract award. The work program is as follows:

July 1, 2011 - Order post and pole peeler from factory. The post and pole peeler requested is a standard model, however the factory will likely take two months to build out the machinery and deliver the machinery to the site.

July 1, 2011 – Order the loader from Pape Machinery in Placerville California. The loader requested is a standard machine and is currently in-stock. If the machine is no longer in stock, then it could take 30 days for delivery.

July 1, 2011 – Pour a concrete slab where the post and pole peeler will be operated. The loader will take logs from a log deck adjacent to the concrete slab, position the logs in the machinery and then deck the posts and pole on large tables for later shipping. The concrete slab will serve as the primary work base for the post and pole machinery and the loader. Operating this way will reduce dust from operations. Pouring the slab is an in-kind contribution.

August 1, 2011 – Construct two metal tables that will support the logs prior to processing and after processing. These tables will be welded from metal tube stock and capable of supporting 50 tons of logs up to 40 feet long. The tables will be fabricated by CTL Forest Management, Inc. This is an in-kind contribution.

September 1, 2011 – Accept delivery of the post and pole peeler. Set-up of the equipment will likely take a four person crew 80 hours to complete. The initial set-up will require some skilled labor to program the machinery. This is an in-kind contribution.

September 10, 2011 – Operations begin.

Section 8. Funding Request and Cost Breakdown

The proposed project is very simple in that a loader and post and pole mill will be purchased and operations will begin almost immediately thereafter. CTL Forest Management, Inc. already owns all of the log trailers and trucks necessary for the operation. CTL Forest Management, Inc. also already has land with an active permit for the operation of a sawmill. No additional permits or business licenses are necessary. CTL Forest Management, Inc. will hire additional personnel to operate the plant, but the likely employees are already known. Setting up the post and pole facility will require:

RWS Dowling Machine - Cost \$169,125, Matching Contribution \$10,000 Cash

The RWS Dowling Machine is a complete post and pole milling system. The system will require initial set-up and programming prior to operations. The mill has a capacity to process up to 100 tons of wood per day.

John Deere 444K Loader – Cost \$139,009, Matching Contribution \$10,000 Cash

The loader will be the primary tool to move small logs from log trailers and to a processing table. The logs will then automatically be fed from the table, through the post and pole mill and then to another table. The loader will then be used to move the processed posts and poles from the end-table to another log trailer for transport to a market.

Concrete Slab – Cost \$8,500, Matching Contribution \$8,500 In-Kind

The concrete slab will be large enough to provide the operating area for the post and pole machine and the loader. The slab will provide a firm and clean work surface for the mill and will reduce dust from the loader.

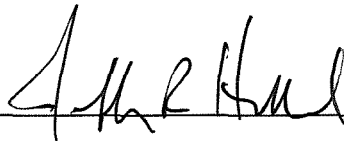
End Tables – Cost \$7,000, Matching Contribution \$7,000 In-Kind

End tables will be constructed to support raw logs prior to milling and to support posts and poles as they come out of the mill. The end tables will be constructed by employees of CTL Forest Management, Inc. CTL Forest Management, Inc. owns all of the necessary equipment to cut and weld metal and the fabricating experience to construct the tables. The costs are likely to be \$3000 for materials and \$4000 in labor to build the tables.

Section 9. Matching Funds

CTL Forest Management Inc. does hereby guarantee the availability of the matching funds described above and will make such funds available if grant funds are awarded. This document serves as a Letter of Commitment that the funding is in place today and will be safeguarded until such time as the grant is either awarded or denied.

Jeff Holland, President,



Date:

3-28-11

Section 10. Schedule of Deliverables / Monitoring Program

Work Products and Deliverables

The deliverables for the proposed project will be documented a photo series during each phase of construction. Additionally the time spent pouring the slab and fabricating the support tables will be documented by worker including the wage of the worker. This will enable Air Quality staff to document the in-kind contributions associated with pouring the concrete slab and with fabricating the support tables. The reporting on the concrete slab and support tables will also include the cost of materials.

The post and pole mill and loader will be documented with receipts for the purchase and pictures of the equipment. Air Quality staff will be notified when the equipment is configured and operations begin. Air Quality staff will also be invited for a tour of the facility once operations begin.

Monitoring Program

Each quarter a report will be sent that describes the number of loads of wood that are received, the estimated weight of the wood and the source of the wood. This information will be provided to the detail requested by Air Quality Staff. This information will enable Air Quality staff to document the total pounds of PM10 that are being reduced.