Conditions for Re-Designation of Verified Diesel Emission Control Strategies (DECS) Manufactured by Cleaire Advanced Emission Controls, Limited Liability Corporation (Cleaire)

January 18, 2011

(Note: Cleaire does not have an approved component swapping policy at this time and therefore cannot authorize the practice of swapping components among different DECS installations.)

Cleaire may authorize owners of its verified DECS to re-designate their DECS in accordance with the requirements described herein and in the Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines ("Procedure," Title 13, California Code of Regulations, Sections 2700-2710). Re-designation means the movement of a used, verified DECS from an appropriate engine/application (donor) to another engine/application (recipient), within the same common ownership fleet, that meets the terms and conditions of the DECS Executive Order or conditional verification letter. Re-designation of a verified DECS listed in Table 1 below is allowed under the corresponding Executive Order series or conditional verification letter.

Table 1. Verified Cleaire DECS Approved for Re-designation

<table>
<thead>
<tr>
<th>DECS</th>
<th>Executive Order Series / Conditional Verification Letter</th>
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</thead>
<tbody>
<tr>
<td>Allmetal</td>
<td>10-661-719</td>
</tr>
<tr>
<td>Horizon</td>
<td>DE-05-010</td>
</tr>
<tr>
<td>Lonestar</td>
<td>10-661-723</td>
</tr>
<tr>
<td>LongMile</td>
<td>DE-10-004</td>
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<tr>
<td>Longview</td>
<td>DE-08-006, DE-08-007</td>
</tr>
<tr>
<td>Phoenix</td>
<td>10-661-726</td>
</tr>
<tr>
<td>Vista</td>
<td>DE-09-005</td>
</tr>
</tbody>
</table>

Re-designation is subject to the following terms and conditions:

- The owner of the DECS must receive written authorization from Cleaire via a Cleaire dealer for the re-designation to occur.

- The system must not be more than ten years old, based on the date of manufacture. Re-designation of a DECS of unknown age is prohibited.

- Re-designation must occur within the same common ownership fleet, as defined in Section 2701 of the Procedure.
• The owner and installer must verify that the recipient vehicle meets the terms and conditions of the governing Executive Order or conditional verification letter.

• A DECS installed on a vehicle that is repowered may remain installed provided:
  o The replacement engine meets all the terms and conditions of the governing Executive Order or conditional verification letter,
  o The DECS is not more than ten years old (based on the date of manufacture), and
  o The appropriate DECS engine label is affixed to the replacement engine in a visible location.

• Cleaire must provide detailed written instructions to the authorized owner in the owner’s manual and installation manual regarding how to re-designate the DECS. Cleaire may not include any prohibitions or limitations to the required warranty (Sections 2706(i)(4) and 2707 of the Procedure), nor can the instructions direct the owner of the DECS to conduct any activity which violates the terms of the governing Executive Order series or conditional verification letter or any other applicable regulation.
  o Within ten days of a written request from ARB, Cleaire must provide an exact copy of these instructions in their entirety.

• Cleaire must provide written instructions for assessing if the DECS still meets its verified emissions reductions, and instructions to prevent installation on an inappropriate vehicle.

• Re-designation applies to the entire system, not the component parts.

• The re-designated DECS must belong to a verified configuration covered under the governing Executive Order or conditional verification letter.

• The DECS cannot be re-designated across verification categories (e.g., a DECS that is only verified for off-road vehicles cannot be re-designated to an on-road vehicle).

• If the installer of the re-designated DECS is not the same as the installer who did the original installation, the new installer must assume the installation warranty responsibilities defined in Section 2707 for the remainder of the original warranty period or until another installer re-designates the system. If the original installation warranty has expired or has less than one year remaining, the installer must issue a new warranty to guard against potential installation defects. The new installation warranty must meet the requirements of Section 2707 except that the minimum period is reduced to one year from the date of installation. Any transfer of a DECS by an installer that does not offer this installation warranty is not considered a valid installation.
• Cleaire must maintain accurate records of the DECS, donor vehicles, and recipient vehicles that are involved in re-designations. The records must include owner contact information, vehicle identification or engine serial numbers, DECS serial number, and DECS operating hours or mileage. Cleaire must be able to track all re-designation events throughout the fleet and provide re-designation records to ARB within 30 days of receiving a written request.

• No party shall advertise, sell, lease, or offer for sale or lease a used, verified DECS.

• Any party that removes a verified DECS from an engine/application must remove the verified DECS engine label. If the engine label cannot be removed whole, it must be destroyed.

• Any party that re-designates a DECS to another engine/application which was never previously retrofit with the same DECS must obtain and properly install an appropriate DECS engine label.

• Any party that removes a verified DECS from an engine/application must ensure that the engine/application returns to its original factory configuration.

• An assessment must be performed by the installer to ensure that the DECS is still able to achieve its verified emissions reduction levels.

• The DECS can only be installed on a vehicle that conforms to all the terms and conditions of either the conditional verification letter or the most current Executive Order in the associated series listed in Table 1 above.

• The DECS can only be re-designated by a Cleaire-authorized installer.

• The installation of the re-designated DECS must be performed according to the procedures listed in the DECS installation manual.