

**Carl Moyer On-Road Heavy-Duty Vehicle Program
Agreement between Dealership and Butte County AQMD**

This agreement (Agreement) is between the Butte County Air Quality Management District (District) and _____ (Dealership).

1.0 Recitals

- 1.1 The entire District is classified as a State and federal ozone nonattainment area due to the level of ozone in the ambient air exceeding the State and federal health-based standards.
- 1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated from vehicles, including on-road heavy-duty vehicles. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by on-road heavy-duty vehicles.
- 1.3 The California Air Resources Board (CARB) has developed several programs to help the District achieve the State and federal ozone standards. One of these programs is the Carl Moyer Program (CMP). This Agreement is one step in implementing this Program.
- 1.4 The objective of the CMP is to accelerate the retirement or retrofitting of existing high-polluting on-road heavy-duty vehicles through financial incentives that will encourage low emission technology.
- 1.5 Under the CMP, the District will provide financial incentives to eligible on-road heavy-duty vehicle owners that agree to destroy and replace their existing vehicle or retrofit their existing vehicle prior to State regulation deadlines.
- 1.6 To ensure that actual reductions result from the CMP, it is essential:
 - a. That the existing vehicle is inspected to verify that it qualifies for the CMP,
 - b. That the existing vehicle is destroyed properly to permanently eliminate its potential for emissions in replacement projects,
 - c. That replacement engines or installed retrofit devices must be certified or verified by CARB and must comply with durability and warranty requirements, and
 - d. That on-road heavy-duty projects undergo a compliance check through CARB.
- 1.7 The Dealership is in the business of selling new or used on-road heavy-duty vehicles.
- 1.8 The Dealership has reviewed and is familiar with the District's On-Road Heavy-Duty Vehicle Program.
- 1.9 The Dealership understands that the purpose of the CMP, and this Agreement, is to help the

District achieve clean air standards as required by State and federal law.

- 1.10 The Dealership wishes to enter into this Agreement so that it will be eligible to market its equipment and services to Program Participants.
- 1.11 The District has not reviewed the Dealership's operations, or reached any conclusion on the quality of the Dealership's operation. The District is permitting the Dealership to enter into this Agreement solely because the Dealership has represented to the District that it is aware of the CMP goals, and agrees to abide by the CMP requirements.

2.0 Conditions

The parties agree that:

- 2.1 **Definitions:** As used in this Agreement, the following terms have the following meanings:
 - a. **"Program Participant"** means the individual or business entity that is replacing or retrofitting their existing on-road heavy-duty vehicle.
 - b. **"Existing (Old) Vehicle"** means the on-road heavy-duty vehicle that the Program Participant surrenders for destruction or retrofits.
 - c. **"Replacement Vehicle"** means the new on-road heavy-duty vehicle purchased by the Program Participant.
- 2.2 **Payment:** The Dealership will not be paid or otherwise reimbursed directly by the District. Rather, the benefit received by the Dealership under this Agreement is the opportunity to participate in the CMP, which carries the corresponding opportunity to profit through the sale of equipment to be purchased by Program Participants. The issuance of two-party checks made payable to both the Dealership and the Program Participant is authorized if both parties agree to such payments.
- 2.3 **Dealership Qualifications:** The Dealership warrants that it meets the following minimum qualifications for participation in the CMP, and will continue to meet these qualifications throughout its participation in the CMP. The Dealership may petition the District to waive or modify any of these minimum qualifications:
 - a. The Owner has had a valid California business license for a minimum of the last two (2) years.
 - b. The Dealership has had a valid California Department of Motor Vehicles (DMV) Dealership license for a minimum of the last two (2) years.
 - c. A minimum of one (1) employee has been trained by the District regarding the CMP.

2.4 **Dealership Requirements:** Unless otherwise indicated, the Dealership must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Dealership agrees to do the following:

- a. Provide basic information to applicants about the On-Road Heavy-Duty Vehicle. The District will provide training to Dealership staff.
- b. Inform applicants of rights and responsibilities as outlined in the District and CARB guidelines.
- c. Help the applicants correctly complete the application. It is important to make sure that all information is filled out correctly and that the applicant understands the CMP and the meaning of the Carl Moyer Grant Contract. Convey to the applicants that the CMP is a reimbursement program (reimbursed after payment in full has been made) and that all financing must be authorized by the District before the contract is signed and that no leasing is allowed. Information necessary for preliminary evaluation of the project includes, but is not limited to, the following:
 - c.1 Description and specifications of the existing vehicle including engine year, make and model, Gross Vehicle Weight Rating (GVWR), Vehicle Identification Number (VIN), Truck Regulations Upload and Compliance Reporting System (TRUCRS) Identification Number (ID) and fleet summary, and credible records of the previous two (2) years of ownership, operation and amount of usage in California.
 - c.2 Description and specifications of the proposed replacement vehicle including engine year, model, GVWR, CARB Engine Family Number and Executive Order number, price quote, warranty information, and financing information if financed.
 - c.3 Documentation of replacement vehicle warranty.
- d. The Program Participant will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition of the existing vehicle. The Dealership may attend the pre-inspection; however, it is not mandatory.
- e. If the Program Participant wishes to finance any portion of the equipment cost, draft financing terms must be submitted to the District prior to Contract execution.
- f. After the Carl Moyer Grant Contract is executed, the Dealership may order the replacement vehicle and have it delivered to the Dealership.
- g. Before delivering the replacement vehicle to the Program Participant, the Dealership will schedule a time and place for the District to inspect and verify the identity, operation, and condition of the replacement equipment, or retrofit, if installed. The Dealership may not deliver the replacement vehicle to the Program Participant until the District inspects the replacement vehicle or authorizes delivery.

- h. The Dealership shall submit copies of itemized invoices, warranty information, and financing information prior to the District issuing payment for the grant.
- i. The Dealership will use only Original Equipment Manufacturer (OEM) certified parts for any repairs to any engine or equipment covered under the District Program.
- j. The Program Participant or Dealership shall deliver the existing vehicle to a qualified Dismantler within sixty (60) calendar days of the Program Participant receiving the new replacement vehicle. The program participant or dealer must immediately notify the air district of the location and date of delivery of the existing engine/vehicle to the dismantler. The participating dismantler may also pick up the existing engine/vehicle.
- k. Use of Engine or Vehicle Pending Destruction: The Program Participant or Dealer may not use or permit the use of the existing engine or vehicle except use necessary to move it for destruction or storage.

2.5 **Cancellation:** The District may cancel this Agreement if the Dealership fails to comply with its requirements. Any Dealership whose Agreement was cancelled and is re-submitting a new signed Agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the cancellation of the previous Agreement.

2.6 **Amendments:** No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.7 **Term:** This Agreement shall begin upon execution by both parties and terminate on June 30, 2021.

2.8 This Agreement consists of:

- This Agreement
- Exhibit A, District On-Road Heavy-Duty Vehicle Program
- Exhibit B, On-Road Heavy-Duty Vehicle Application
- Exhibit C, On-Road Heavy-Duty Vehicle Checklist and Guide

2.9 Correspondence between the District and the Dealership should be addressed to the following:

To District:

Carl Moyer Program Representative
Butte County AQMD
629 Entler Avenue, Suite 15
Chico, CA 95928
Phone: (530) 332-9400
Fax: (530) 332-9400
Email: air@bcaqmd.org

To Dealership:

Contact Name: _____
Business Name: _____
Business Address: _____
City, State, Zip: _____
Phone: _____
Fax: _____
Email: _____

The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, email, or fax.

2.10 The undersigned representative of the Dealership affirmatively states that he or she has legal authority to bind the Dealership to the terms of this Agreement.

Approved by the Dealership:

(Print Name) Title: _____

(Signature) Date: _____

Approved by the Butte County Air Quality Management District:

Stephen Ertle, Air Pollution Control Officer Date: _____

Approved as to legal form:

District Legal Counsel Date: _____