

**Carl Moyer Off-Road Equipment Program
Agreement between Equipment 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 off-road equipment. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by off-road equipment.
- 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 of existing high-polluting off-road equipment through financial incentives that will encourage the voluntary replacement of uncontrolled equipment with new equipment that uses low emission technology.
- 1.5 Under the CMP, the District will provide financial incentives to eligible equipment owners that agree to destroy their existing equipment and then replace it with new, low emission equipment.
- 1.6 To ensure that actual reductions result from the Program, it is essential:
 - a. That the existing equipment is inspected to verify that it qualifies for the CMP,
 - b. That the existing equipment is destroyed properly to permanently eliminate its potential for emissions,
 - c. That a digital hour meter is installed in/on the replacement equipment to measure future actual hours of operation within the District, and
 - d. That particulate emission control devices be installed if they are available, safe, and cost effective.
- 1.7 The Dealership is in the business of selling new or used off-road equipment.
- 1.8 The Dealership has reviewed and is familiar with the District's Off-Road Equipment 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 to the following conditions:

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 surrendering its existing off-road equipment and receiving funds to aid in the purchase of new off-road equipment.

b. **"Existing (Old) Equipment"** means the off-road equipment that the Program Participant surrenders for destruction.

c. **"Replacement Equipment"** means the new equipment purchased by the Program Participant. Used equipment meeting the most recent Model Year California Emission Standard qualifies as new equipment if sold by the Dealership with the required warranties and documentation of how the price was depreciated to account for the used condition and the number of operating hours accumulated since new.

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. A minimum of one (1) employee has been trained by the District regarding the CMP.

2.4 **Dealership Requirements:** The Dealership agrees to meet the following requirements so that the Program Participant is eligible for payment of incentive funds:

- a. The Dealership shall be able to provide basic information to applicants about the Carl Moyer program and inform applicants of their responsibilities as outlined in the District and CARB guidelines. The District will provide training to Dealership staff.
- b. An applicant may not order or make a down payment on a new engine, piece of equipment, or vehicle prior to contract execution or approval by the District. Dealers ordering engines, equipment, or vehicles prior to District approval of grant applications assume all financial risk. A program participant may not receive engines, equipment, or vehicles, nor may work begin on a repower or retrofit project, until the project contract is fully executed.
- c. Assist applicants with completing the program application, where applicable. 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 equipment including year, model, power rating, a list of included attachments and accessories, serial numbers of the equipment and engine, proposed method of destruction, and credible records of the previous two (2) years of ownership, operation and amount of usage in Butte County.
 - c.2 Description and specifications of the proposed replacement equipment including year, model, power rating, CARB Engine Family Number and Executive Order number, a list of included attachments and accessories, price quote, warranty information, and financing information if financed.
- 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 equipment. 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 will order the replacement equipment and have it delivered to the Dealership.
- g. Before delivering the replacement equipment 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. The Dealership may not deliver the replacement equipment to the Program Participant until the District inspects the

replacement equipment or authorizes delivery.

- h. The Dealership shall submit copies of itemized paid invoices, warranty information, and final 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.

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, 2024.

2.8 This Agreement consists of:

- This Agreement
- Exhibit A, District Off-Road Equipment Program
- Exhibit B, Off-Road Equipment Replacement Application
- Exhibit C, Off-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:

_____ Title: _____
(Print Name)

_____ Date: _____
(Signature)

Approved by the Butte County Air Quality Management District

Reviewed by:

_____ Date: _____
Aleah Ing, Administrative Services Officer

Approved by:

_____ Date: _____
Stephen Ertle, Air Pollution Control Officer