

Appendix D

VOUCHER INCENTIVE PROGRAM DISMANTLER AGREEMENT TERMS TO BE INCLUDED IN MASTER AGREEMENT BETWEEN THE AIR DISTRICT AND DISMANTLER OWNER

NOTE to AIR DISTRICT:

The terms listed do NOT constitute the air pollution control or air quality management district's (air district's) entire Agreement; standard air district Agreement language (such as, confidentiality, termination, indemnification, insurance, etc.) must be included in conjunction with the items below. The terms have been prepared to facilitate the air district's preparation of agreement. The air district must include the terms listed below, which supersede any additional terms included by the air district.

1. The air district has not reviewed the Owner's operations or reached any conclusion on the quality of the operations. The air district is allowing the Owner to enter into this Agreement solely because the Owner has represented to the air district that it is aware of the California Air Resources Board (CARB) Voucher Incentive Program (VIP) Guidelines (Guidelines) goals, and agrees to abide by the Program requirements and Guidelines.
2. The air district and Dismantler agree that if the California Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the Program, this Agreement shall be of no further force and effect. In this event the State shall have no liability to pay any funds whatsoever to the air district and Dismantler or to furnish any other considerations under this Agreement.
3. Payment: Owner will not be paid or otherwise reimbursed directly by the air district or the CARB. Rather, the benefit received by Owner under this Agreement is the opportunity to participate in the Program, which carries the corresponding opportunity to profit through the receipt – for cash or free – of materials that Owner will dismantle with the intent to make a profit. Funding is not available from the air district through this Agreement for any dismantler or material costs, including hazardous waste abatement fees, labor costs, fines, permits, or other charges resulting from destruction or disposal.
4. Owner Obligation: The Owner must comply with the following requirements in accordance with the Guidelines, and submit certification to the air district verifying that the requirements have been met. Within 60 calendar days of receiving vehicles under this Agreement, Owner will:

- a. Destroy vehicle and render it physically useless; and
 - b. Notify the air district when the vehicle (chassis and engine) has been properly destroyed and schedule a destruction-inspection with the air district; and
 - c. The dismantler must provide verification that the vehicle is registered with DMV as non-repairable. Verification of filing the form with DMV must be provided to the air district at the dismantle inspection. Within 90 calendar days of the dismantle inspection date, the dismantler must also provide verification to the air district from DMV that the replaced vehicle has been registered with DMV as non-repairable (non-revivable) with a transaction code L10 (Junk Non-Revivable) or C26 (Junk Non-Revivable Original).
 - d. As specified in California Code of Regulations, title 13, section 2706(i)(3)(G), no party shall advertise, sell, lease, or offer for sale or lease, a used verified diesel emission control strategy.
5. Owner Qualifications: The Owner warrants that it meets the following minimum qualifications for participating in the Program, and will continue to meet these qualifications throughout its participation in the Program. The Owner must provide written proof that it meets the following qualifications within 48 hours if requested by air district staff.
- a. Owner must have a current, valid Dismantler's license issued by the California Department of Motor Vehicles.
 - b. Owner has a current, valid California Environmental Protection Agency Hazardous Material Generator and Storage Permit.
 - c. Owner must be in compliance with all local, State, and federal regulations, permits and requirements.
 - d. Owner must have a minimum of one active employee who received training by the air district on the requirements of the Program. If a dismantler has more than one location, then the dismantler must have at least one active employee trained by the air district at each location that will be accepting VIP trucks.
 - e. Dismantler has had a valid business license issued and has been a dismantler in California for a minimum of the last two years.
6. Dismantler Inspection: Once the air district is notified, a dismantler-inspection will be scheduled and photos documenting the destruction of the engine will be taken in accordance with the Guidelines. The Owner shall not move the vehicle off of their property or part out a vehicle until a dismantler inspection by the air district or a designated contractor has been performed and given approval by the air district.

7. Use of Engine or Vehicle Pending Destruction: The Owner may not use or permit the use of, the engines or vehicles, except use that is necessary to move it for destruction or storage.
8. Compliance: Because the prompt destruction of vehicles and engines is one of the critical components of the Program, and the parties agree that it will be difficult to determine the monetary damages arising from the Owner's breach of the requirement to destroy the vehicle within 60 days, the Owner agrees that if it fails to destroy the engine and vehicle within the 60-day period, it will pay the air district up to \$500 per day until the engine and vehicle is destroyed and provide verification that the vehicle has been registered as non-repairable with DMV. The Owner may request that the air district extend the 60-day period, and the air district will not unreasonably withhold its approval of the extension request. Only written extensions are effective. The Owner will not generally be eligible for an extension if the cause of the delay was within its control.
9. Noncompliance: Noncompliance with this Agreement or Guidelines may result in the cancellation of the Agreement, recapturing of voucher funds, or any other remedy available under law. CARB and the air district may disqualify Dismantler from Program participation and seek other remedies as available under the law for noncompliance with this Agreement or Program requirements.