

Appendix C

**VOUCHER INCENTIVE PROGRAM
DEALERSHIP AGREEMENT TERMS TO BE INCLUDED
IN MASTER AGREEMENT
BETWEEN THE AIR DISTRICT AND DEALER**

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 Dealership's operations or reached any conclusion on the quality of the Dealership's operations. The air district is permitting the Dealership to enter into this Agreement solely because the Dealership 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 Dealership 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 Dealership or to furnish any other considerations under this Agreement.
3. Payment: The air district will not pay or otherwise directly reimburse or compensate in any way the Dealership for its services rendered in keeping with this Agreement, but the benefit received by Dealership under this Agreement is the opportunity to participate in the Program, which includes the corresponding opportunity for the Dealership to profit from the sale of vehicles to Program Participants.
4. Reduction in Vehicle Purchase Price: The dealership should show the voucher amount on the replacement truck invoice. This amount should not reduce the sales price of the truck but should reduce the amount the participant will pay for the truck. The receipt of voucher funds does not lower the base price of the truck and does not reduce the tax basis of the truck.
5. Voucher Payment: The Dealership will be reimbursed by the air district for the voucher amount once the Dealership submits a complete Reimbursement Package

to air district as outlined in the Guidelines and in this Agreement.

6. Dealership Obligations: The Dealership agrees to provide general information to Program participants about the Program. The air district will provide training to Dealership staff. The Dealership agrees to assist Program participants to correctly complete and submit the Application Package to the air district. It is important to verify that all information is filled out correctly and that the participant understands the Program.
 - a. Before the air district may approve a voucher, an Application Package must be completed and submitted to the air district. The Application Package must include all required documentation as outlined in the Program Guidelines.
 - b. After the air district notifies the Dealership of application approval, the Dealership will order the replacement vehicle with an engine that meets the emissions standards corresponding to the project funding level as specified in Appendix O and have the replacement vehicle delivered to the Dealership. The replacement vehicle must be delivered in California.
 - c. Ensure that the existing vehicle and its original, signed title remains in dealership custody and is sent to a participating dismantler yard for destruction within 60 calendar days of dealership taking vehicle possession. Immediately notify the air district of the location and date of delivery of the existing vehicle to the dismantler. The air district will provide a list of participating dismantlers to the Dealership.
 - d. Destruction of the old engine and/or vehicle may be delayed for up to six months for ZE technology, with reasonable justification and air district approval in accordance with the VIP Guidelines. It is the responsibility of the air district to ensure that this timeline meets all other dismantle requirements in accordance with the VIP Guidelines.
7. Dealership Qualifications: The Dealership warrants that it meets the following minimum qualifications for participation in the Program, and will continue to meet these qualifications throughout its participation in the Program.
 - a. The Dealership has had a valid business license issued and has been a dealership in California for a minimum of the last two years.
 - b. The Dealership maintains a minimum of one employee that has successfully completed the training by the air district regarding the terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for truck sales, then each location must have at least one employee trained on the VIP. Language must be included in the dealership agreement requiring each location to have at least one employee that is trained on the VIP.

- c. The Dealership agrees to allow the air district or CARB to inspect vehicles or audit program records covered under this Agreement during normal business hours.
- 8. Inspections: The inspections described below require inspection forms to be completed and photographs taken to document the vehicle and engine. Specific requirements are outlined in the Guidelines.
 - a. The air district may enter into a contract, written agreement, or memorandum of understanding with a participating dealership to perform pre-inspections and/or post-inspections. If the air district chooses to use dealerships to perform inspections, air district staff must conduct and document at least one inspection on each project without the use of a contractor. The air district must ensure all inspection requirements are met and shall retain legal responsibility for full compliance with the inspection provisions of these Guidelines. If the air district requests the Dealership to conduct an inspection, then the inspection must be conducted as follows:
 - 1. Pre-Inspection: Submit completed inspection form and photos to the air district with the application
 - 2. Post-Inspection: Submit completed inspection form and photos to the air district with Dealer Reimbursement Package (Appendix J)
 - 3. Pre-Dismantle: Submit completed inspection form and photos to the air district with Dealer Reimbursement Package (Appendix J)
 - b. If the air district conducts inspections, then inspections must be conducted in accordance with the VIP Guidelines.
- 9. Dealership Reimbursement: The Dealership must submit a Reimbursement Package to the air district. A description of documents in the Reimbursement Package is listed in the Guidelines. The Reimbursement Package must include:
 - a. Reimbursement Invoice (Appendix H) should be signed and returned to the air district upon receipt
 - b. Final dealership invoice signed by the applicant that shows the final purchase price less the voucher award (e.g., payment receipt or wire transfer receipt)
 - c. The original Receipt of Voucher signed by the participant (original signature required)

- d. The Voucher
- e. Copy of DMV registration
- f. Copy of signed finance documentation (if vehicle was financed)
- g. Copy of replacement vehicle warranty information
- h. Copy of existing vehicle title signed and dated by participant
- i. Copy of title for used replacement vehicles to show vehicle is not salvaged
- j. Inspection forms and pictures of the existing vehicle after it is turned in to the dealership as specified in Appendix I.
- k. Inspection forms and pictures of the replacement vehicle as specified in Appendix I.
- l. Location of the dismantler yard where the existing vehicle will be destroyed.
- m. Date the existing vehicle is delivered to or picked up by a participating dismantler.

10. 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 the Dealership from Program participation and seek other remedies as available under the law for noncompliance with this Agreement or Program requirements.