

**Contract Number 2026-02 CM, Bryan William Tractor Replacement**

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
CARL MOYER AIR QUALITY STANDARDS ATTAINMENT PROGRAM CONTRACT**

This Grant Contract (Contract) is between the Northern Sierra Air Quality Management District (District), a public agency of the State of California, and Bryan Williams (Program Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the State air quality standards for ozone and particulate matter (PM) and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or Program) was created in 1998 in honor of the late Dr. Carl Moyer (1937 – 1997), whose extraordinary dedication, hard work, vision and leadership made this program possible. He created and masterminded this program, in an effort to unite business and government in the name of public interest to improve California's air quality.
- 1.3 In 1999, Assembly Bill 1571 formally established the statutory framework for the Program (H&SC Section 44275 et seq.). Legislation enacted in 2022 (Assembly Bill 2836) extended authorization of the Program out to January 1, 2034.
- 1.4 The District Governing Board first approved District participation in the Program and considers approval to participate annually as funding allows.
- 1.5 The California Air Resources Board (CARB) maintains Program Guidelines which were most recently updated in 2024. The District maintains a Policies and Procedures Manual which outlines local implementation of the Program. Both documents help ensure that emission reductions achieved through the Program are surplus, enforceable, quantifiable, and permanent.
- 1.6 The Program Participant wishes to participate in the Program by purchasing and operating the equipment described in this Contract and represents that the purchase is not required by any local, State, and/or federal rule, regulation, memorandum, or other legally binding agreement.
- 1.7 This Contract is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of nitrogen oxides (NOx), PM, reactive organic gases, toxic air contaminants, and oxides of carbon within Butte County, as required by this grant.

## 2.0 Terms and Conditions

### 2.1 Program Participant Obligations – the Program Participant will:

- 2.1.1 Purchase and operate the equipment described in Exhibit A by **February, 2027**. The Program Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Program Participant's reasonable control.
- 2.1.2 Ensure that a functioning hour meter or odometer as applicable is installed on the equipment described in Exhibit A for the life of the project.
- 2.1.3 Destroy the baseline equipment described in Exhibit A in a manner acceptable to the District or deliver the baseline equipment to a District-approved scrap facility within 30 days of receiving the replacement equipment (60 days if the replacement equipment is zero-emission).
- 2.1.4 Operate the equipment described in Exhibit A in Plumas/Sierra/Nevada County during the term of this Contract in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 51% of the vehicle's total operation must occur within California.
- 2.1.5 Report equipment usage, equipment location, and unexpected downtime to the District annually for the duration of the Contract life. The District will provide a form annually.

### 2.2 Payment

- 2.2.1 The District will remit to the Program Participant up to **\$123,900** towards the cost of the equipment identified in Exhibit A. The maximum Contract amount shall not exceed the maximum funding level corresponding to the program cost-effectiveness limit, nor may the maximum Contract amount exceed the project incremental cost. The maximum Contract amount must also comply with any funding caps and other criteria for the specific project category as identified in the current Carl Moyer Program Guidelines and the District's Policies and Procedures.
- 2.2.2 If any portion of the equipment purchase requires financing, the Program Participant shall provide the financing terms to the District for review and approval before signing this agreement. No rented or lease type financing is permissible, only conventional financing will be allowed. A minimum of the full Contract amount shall be used to pay down any financing within 30 days of receiving payment from the District. Proof of payment is due to the District within 45 days of receiving payment from the District.

The Program Participant has indicated that they will purchase the equipment described in Exhibit A in the following manner:

- Purchase in full with no financing
- Use of short-term financing (PO account, net 30 terms, etc.)
- Use of standard financing

If the Participant is using commercial or other loans to purchase the equipment, the Participant authorizes the financing entity to release any and all financial information to the District regarding the Participant's payment status at any time during the term of this Agreement. Furthermore, the Participant agrees to hold the releasing parties immune from liability for the release of the information to the District.

- 2.2.3 Any payments made under this Contract are subject to the provisions and limitations of the Health and Safety Code (HSC). The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the HSC or any other local, State, or federal law. The Program Participant shall reimburse the District for any payments that are later found to be in contravention of the HSC or any other local, State, or federal law.

- 2.2.4 No payments shall be issued under this Contract prior to final inspection of the project by District personnel.
- 2.2.5 Payment of the grant amount shall be issued by the District to the Program Participant within sixty (60) days after receipt by the District of all required documents and completion of inspections of the replacement equipment and destroyed baseline equipment. Required documents include:
- (i) Final itemized invoice from equipment dealer or vendor showing eligible costs;
  - (ii) Proof of payment to equipment dealer or vendor, or final financing documentation (if applicable);
  - (iii) Equipment warranty;
  - (iii) Invoice to the District requesting payment; and
  - (iv) Proof of insurance consistent with the requirements of Exhibit C of this Contract.
- 2.2.6 Payments made under this Contract are subject to taxation and an IRS Form 1099 may be issued to the Program Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.
- 2.2.7 The District shall pay the lower of the Contract amount in Section 2.2.1 or the maximum funding amount as determined by cost effectiveness limits and the District's Policies and Procedures.
- 2.2.8 The parties acknowledge that this Contract will be funded by incentive fund revenues being transferred to the District; however, the District may terminate this Contract if it does not receive all or a portion of the revenues, or funds are not specifically appropriated for this Contract in the District's final budget prior to the expiration of the Contract and any Contract extensions. If the District terminates this Contract under this paragraph, it will serve notice of the action on the Program Participant within ten (10) working days.

### 2.3 Contract Term & Performance

This Contract shall begin upon execution by all parties and terminate **3 year from post inspection date**. No work including any related purchases may begin on this project until this Contract is executed by all parties. For this Contract, the timeframe indicated by the execution of this Contract and the aforementioned termination date shall serve as the Contract term including both the project completion and project implementation/life periods. Under no circumstance may the liquidation date be extended beyond four (4) years from the original date of Contract execution.

During this time period, the Program Participant is required to operate the program funded vehicle, equipment and/or engine according to the terms of this Contract. By executing this Contract, the Program Participant agrees to operate the vehicle, equipment and/or engine according to the terms of this Contract and to cooperate with the District and CARB in implementation, monitoring, enforcement, or other efforts to assure the emission's benefits are real, quantifiable, surplus, and enforceable.

Upon termination of this Contract, if the vehicle/engine/equipment fails to fulfill the ownership and usage requirements of this grant Contract, the Program Participant shall return to the District an amount based on the difference between the required operation amount and the actual amount operated according to the following formula:

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District  
 I = Total Incentive Award  
 O = Annual Operational Requirement (miles, hours or gallons)  
 L = Length of the Contract in Years  
 C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at their sole discretion, require full reimbursement of all funds paid to the Program Participant

as outlined in Section 2.4.14. Additionally, the APCO may grant a waiver to the Program Participant for a defined time period if the Program Participant demonstrates to the APCO's satisfaction that the equipment was significantly underutilized due to unforeseen conditions beyond the Program Participant's control. Waivers must be granted in accordance with Section EE(2)(D) of the 2024 Carl Moyer Guidelines.

## 2.4 Program Requirements

- 2.4.1 The Program Participant warrants that the equipment covered under this Contract meets all the eligibility requirements described in the Carl Moyer Program application and Carl Moyer Program Guidelines. The Program Participant further agrees to operate the vehicle, equipment and/or engine in a manner that is consistent with goals and objectives of the Program.
- 2.4.2 An applicant must disclose the value of any public incentive or grant received or applied for that directly reduces the project cost for the equipment listed in Exhibit A of this Contract except for tax credits and tax deductions. Such incentive funds may include but are not limited to other Carl Moyer Program funds and local, State and Federal funds. If the District discovers that the Program Participant has applied for or received undisclosed public incentive funds, the District may terminate this Contract and require that any funds paid under this Contract be returned to the District. An applicant who is found to have applied for or received incentive funds from another entity or program for the same project without disclosing that information as required by this Contract may be disqualified from funding for that project from all sources within the control of an air district or CARB. The District or CARB may also seek civil penalties for such non-disclosure.
- 2.4.3 The Program Participant agrees to operate the vehicle, equipment and/or engine described in Exhibit A within the manufacturers' specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Program Participant make any modifications to or tamper with the vehicle, equipment and/or engine emission control system(s), or any recording devices on the vehicle, equipment and/or engine prohibited under CARB and EPA regulations. The Program Participant also agrees to operate the vehicle, equipment and/or engine in compliance with all local, State, and federal rules, laws, and regulations. Repower projects must be completed in a manner such that it does not void the engine warranty provided by the manufacturer and any remaining warranty provided by the vehicle, equipment and/or engine manufacturer.
- 2.4.4 The Program Participant must be the legal owner of the replacement equipment through the length of this Contract. If the replacement equipment is repossessed by a financing company, the Program Participant must reimburse the District in accordance with the termination formula in Section 2.3.
- 2.4.6 The District, CARB, or their designee may conduct an audit of the Program Participant's operations to verify that the Program Participant is complying with the Contract terms.
- (i) As a condition of accepting funds, the Program Participant agrees to designate CARB as a third-party beneficiary with full auditing, inspection, and enforcement rights throughout the entire term of the Contract.
  - (ii) Any audits will be conducted at a reasonable time and with reasonable notice to the Program Participant. The Program Participant agrees to provide the District and CARB with on-site access to the vehicle(s)/equipment described in Exhibit A.
- 2.4.7 The Program Participant shall defend, indemnify, and hold harmless the District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Program Participant by this Contract or which are related in any way to the vehicle, equipment and/or engine, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle, equipment and/or engine by the Program Participant, for which financial assistance or other incentives are received from the District by the Program Participant.
- 2.4.8 **This Section 2.4.8 shall survive the termination of this Contract for three (3) years following**

**the end date listed in Section 2.3.** The Program Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.3 and for three (3) years following the end date listed in Section 2.3. It is the responsibility of the Program Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Contract, including:

- (i) Hours operated or fuel consumed;
- (ii) Engine downtime;
- (ii) Type and cost of maintenance performed.

- 2.4.9 The Program Participant shall maintain in force at all times during the term of this Contract and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Program Participant does not have the required certificate of insurance, or if the required insurance lapses, the District shall be notified immediately.
- 2.4.10 No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by both parties.
- 2.4.11 The Program Participant shall observe and comply with all applicable federal, State and District statutes, ordinances, regulations, rules, directives, and laws. Projects funded by the Carl Moyer Program must be included when defining the size of the fleet for determining regulatory compliance. Throughout the Contract term as specified in Section 2.3, projects must not be used to generate credits or compliance extensions, and must be excluded when determining regulatory compliance. This Contract shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of California. If a provision of this Contract violates any applicable law or regulation, that provision will be stricken from the Contract, and all other provisions will remain in full force. Any action or proceeding arising out of this Contract shall be filed in a State court or federal court located in Plumas, California.
- 2.4.12 No performance rendered or payment due under this Contract may be delegated or assigned without the written consent of all the parties hereto. If the Program Participant assigns any of its rights or obligations under this Contract, all of the terms and conditions of this Contract shall apply to the Program Participant's assignee.
- 2.4.13 Noncompliance with the reporting requirements shall require on-site monitoring or inspection by District staff. The District may request additional performance documentation at its discretion.
- 2.4.14 This Contract may be terminated by the District upon 30-day notice if the Program Participant fails to meet any of the obligations established in this Contract or outlined in the Carl Moyer Program guidelines or the HSC. If the Contract is terminated, the Program Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Program Participant an opportunity to cure its failure to meet the Contract obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Contract provisions, Carl Moyer Program requirements, or HSC.
- 2.4.15 The Program Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.4.16 The District has made no representations or guarantees to the Program Participant regarding the quality, condition, or proposed use of the low-emission vehicle and engine technology funded under this Contract or the effects of such technology on the normal operations of the Program Participant.
- 2.4.17 If any of the events listed in this paragraph occur, the Program Participant must notify the District within thirty (30) days of the date the Program Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Program Participant suffers a catastrophic loss; or

- (ii) The Program Participant files for bankruptcy; or
- (iii) Any other event has occurred or is likely to occur that could impair the Program Participant's ability to perform the conditions of this Contract.

2.4.18 This Contract will bind the successors of the District and Program Participant in the same manner as if they were expressly named.

2.4.19 During the performance of this Contract, the Program Participant shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Program Participant shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Program Participant and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. The Program Participant shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

2.4.20 Correspondence between the District and Program Participant should be addressed to the following:

To District	To
NSAQMD	Name: Bryan Williams
PO Box 2227	Address: PO Box 6
Portola, CA 96122	City, State, Zip: Vinton, CA 96135
Phone: (530) 832-0102 ext 4	Phone: 775-233-9471
Email: office@myairdistrict.com	Email: brianwilliams1222@gmail.com

The address and/or contacts may be changed only by written notice to the other party. Such written notice may be given by mail or personal service.

2.4.21 This Contract consists of the following:

- (i) Program Participant Contract
- (ii) Exhibit A – Vehicle/Equipment Information Form
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE STATEMENT:** The undersigned representative of the Program Participant affirmatively states that neither they nor any other representative of the Program Participant will submit another application or sign another Contract for the same vehicle, equipment, and/or engine detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

Any Program Participant or Program Participant's designee who is found to have submitted multiple applications or signed multiple Contracts for the same vehicle, equipment, and/or engine shall, at a minimum, be disqualified from funding for that vehicle, equipment and/or engine from all sources, may be required to reimburse the public agencies for any monies received, and may also be banned from submitting future applications to any and all Carl Moyer Program solicitations. In addition, as a violation of law, including but not limited to the HSC and Business and Professions Code, CARB and the districts may levy fines and/or seek criminal charges.

The undersigned representative of the Program Participant has read and agrees to comply with all terms and conditions in this Contract and also affirmatively states that he or she has legal authority to bind the Program Participant to the terms and conditions of this Contract.

**Approved by the Program Participant**

\_\_\_\_\_  
Program Participant (Print Name)

**Title:** \_\_\_\_\_

\_\_\_\_\_  
Program Participant (Signature)

**Date:** \_\_\_\_\_

**Approved by the Northern Sierra Air Quality Management District**

**Reviewed by:**

\_\_\_\_\_  
NAME  
Grant Coordinator

**Date:** \_\_\_\_\_

**Approved by:**

\_\_\_\_\_  
NAME  
Air Pollution Control Officer

**Date:** \_\_\_\_\_

\_\_\_\_\_  
NAME  
District Board Chair

**Date:** \_\_\_\_\_

**EXHIBIT A**  
**STATEMENT OF GRANT OBLIGATIONS**

**General**

The NSAQMD promotes voluntary diesel engine emission reduction programs under cooperative agreements with eligible applicants to reduce public exposure to ozone precursors and toxic diesel particulate matter. The objective of this Grant Agreement is to reduce these air pollution emissions from this off-road piece of equipment in the Participant’s fleet by replacing the existing equipment with newer equipment. The equipment is based in Plumas County. This project’s cost effectiveness is less than the Carl Moyer Program cost effectiveness limit as defined in the most current version of the Carl Moyer Guidelines (Moyer Guidelines).

**Project Description**

	<b>Existing Equipment</b>	<b>New or Replacement Equipment</b>
Type	John Deere	John Deere
Make / Model	4630	6175M
Serial / Year	NA 1977	1L06175MHN6157691
	<b>Existing Engine</b>	<b>New or Replacement Engine</b>
Make / Model		John Deere
Serial # / Year	6404AR-12 522379 YR 1977	TBD
Fuel / HP	Diesel 150	Diesel 175
Hours of Operation.(+ or – 30% allowable)	400	400
Family	TBD	TBD
Eng. Cert.	Uncontrolled	Tier 4 final

**Final Disposition of Existing Equipment**

The State of California intends that the existing engine(s)/equipment shall be permanently prevented from polluting the air in any location in any manner. Therefore, the engine(s)/equipment shall be rendered permanently inoperable before the Total Grant Award is disbursed by the Air District. The Air District shall do a Final Post Inspection on the existing equipment to ensure that it has been properly rendered permanently inoperable. Typically, that would entail, at a minimum, a hole punched in the engine block and a section of the equipment frame (or some other equivalent structure) permanently removed from the existing equipment.

**Total Grant Award**

The Total Grant Award for this project shall not exceed \$123,900 and/or the maximum Contract amount shall not exceed the maximum funding level corresponding to the program cost-effectiveness limit, nor may the maximum Contract amount exceed the project incremental cost. The maximum Contract amount must also comply with any funding caps and other criteria for the specific project category as identified in the current Carl Moyer Program Guidelines and the District’s Policies and Procedures.

**Matching Funds**

Costs incurred in excess of the Total Grant Award for the project will be the responsibility of the Participant and shall constitute their matching and/or in-kind contribution for the project.

**Term of Agreement**

1. For the purposes of this Agreement, the term of the Grant Agreement life is defined herein to be **3 years** years from the date of the final post inspection.
2. Installation Deadline: Project shall be completed as soon as possible but must be completed before **March 1, 2027**
3. No work may begin until contract is fully executed.

**EXHIBIT B**  
**ANNUAL GRANT STATUS REPORT FORMAT**

Participant shall submit the “Annual Engine/Equipment Usage Report” form below to the NSAQMD for each new low emission engine/equipment funded under this Agreement. The first report is due one year from the day of the NSAQMD post-inspection. The report form will be provided to the NSAQMD annually for the life of the Grant Agreement. The purpose of this report form is to provide the NSAQMD with feedback as to Participant’s experience with the new low emissions equipment and to provide a record of the actual usage versus the usage identified in the Participant’s grant application. The report shall include the following items:

1. Name and address of Participant;
2. Project Agreement number;
3. Make and model of equipment purchased;
4. Usage information for the new equipment:
  - Hours of use of the new equipment over the past 12 months; or
  - Estimated fuel use with the new equipment over the past 12 months;
5. Discussion of any repairs, problems, or benefits with the equipment.

**Northern Sierra Air Quality Management District**  
**Exhibit B-1a: Annual Engine Usage Report**  
**(CARL MOYER CONTRACT #)**

**INSTRUCTIONS:** Complete this Annual Engine Usage Report every year on the anniversary date of the project's post inspection for the life of the Grant Agreement. The report shall be sent to the NSAQMD within 2 weeks of the post inspection anniversary date.

**SECTION 1: GRANTEE INFORMATION**

Company/Grantee Name: \_\_\_\_\_

Company/Grantee Address: \_\_\_\_\_

Company/Grantee Phone Number: \_\_\_\_\_

Date: \_\_\_\_\_

**SECTION 2: ENGINE INFORMATION:** Please verify the information below and complete any missing Information. **Failure to complete information may lead to an immediate engine inspection and audit.**

1. Location of Equipment /Engine Identified Below: \_\_\_\_\_

New Equipment: \_\_\_\_\_; VIN: \_\_\_\_\_

2. Model Year, Make, Model and Family Number of new equipment engine:

New Engine: \_\_\_\_\_ Family: \_\_\_\_\_

Grant Agreement Usage: \_\_\_\_\_ hours/yr (+/- 30%)

3. Engine Serial #: \_\_\_\_\_.

4. Power Rating: : \_\_\_\_\_ HP

5. Fuel Type: \_\_\_\_\_

**SECTION 3: ANNUAL USAGE INFORMATION:** Provide the following Engine Usage Information:

1. Report Start Date: \_\_\_\_\_ (MM/DD/YY)

2. Report End Date: \_\_\_\_\_ (MM/DD/YY)

3. Percent of Time Operated in California: \_\_\_\_\_

4. Engine Use within the period stated above (complete all that apply):

\_\_\_\_\_ hours **(this number is required)**

\_\_\_\_\_ gallons *(this can be an estimate and is not required)*

\_\_\_\_\_ N/A \_\_\_\_\_ miles

5. Has the fleet mod functioned effectively over this period \_\_\_\_\_

(Yes/No; if No, please attach description of issue(s) & steps taken to resolve issue(s).)

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Mail to:** NSAQMD, PO Box 2227 Portola CA 96122 **Email to:** office@myairdistrict.com

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

The PROGRAM PARTICIPANT agrees to maintain any and all insurance required for the term of this Contract. Limits of liability and coverage details are pursuant to the DISTRICT's insurance requirements specification. The following insurance coverage is required for projects with grant funding over \$10,000.00:

- COMMERCIAL/GENERAL LIABILITY
- BUSINESS AUTOMOTIVE LIABILITY
- PUBLIC ENTITIES/SELF-INSURED STATUS
- PROFESSIONAL LIABILITY INSURANCE
- WORKERS COMPENSATION and EMPLOYERS LIABILITY (if applicable)

Before commencement of work, the PROGRAM PARTICIPANT shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and original endorsement(s) and insurance binder(s) affecting coverage required below. The certificates, endorsements, and binders for each insurance policy are to be signed by a person authorized by the insurer to affect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time.

If the PROGRAM PARTICIPANT provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess the PROGRAM PARTICIPANT's capability of providing such self-insurance. The APCO may reject self-insurance coverage where he/she finds that sufficient coverage will not be afforded to the DISTRICT. Any deductibles or self-insured retention must be declared on certificates of insurance and approved by the DISTRICT. At the option of the DISTRICT, either the insurer shall reduce or eliminate such deductibles or self-insured retention or procure a bond guaranteeing payment of losses related investigations, claims administration and defense expenses.

During the term of the Contract, the PROGRAM PARTICIPANT shall, at its sole expense, obtain primary insurance and maintain in full force and affect the type and limits of liability requirements as follows:

- I. A. **COMMERCIAL/GENERAL LIABILITY:** Bodily Injury and Property Damage for premises and operations; Personal Injury and Advertising for premises and operations; Independent Participants (if any basis); Incidental Contracts; Contractual Liability; and Products and Completed Operations.

"Claims made" policies are unacceptable.

Minimum Limits: \$1,000,000 combined single limit, on an occurrence policy form.

**BUSINESS AUTOMOBILE COVERAGE:** Protection against loss of a result of liability to others caused by an accident and resulting in bodily injury and/or property damage, arising out of the ownership or use of any automobile. If the PROGRAM PARTICIPANT has no owned automobiles, then only hired and non-owned automobile coverage are required.

Liability Minimum Limits: \$1,000,000 per occurrence for bodily injury or property damage combined single limit.

Comprehensive, Uninsured Motorist and Collision coverage for the replacement value of the vehicle which received grant funding.

- B. **Public Entities/Self-Insured Status:** The PROGRAM PARTICIPANT shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of \$300,000 per occurrence.
- C.

- II. **Workers' Compensation and Employers' Liability:** The PROGRAM PARTICIPANT shall carry full Workers' Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this Contract, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employers' Liability statutory limits will apply. If the PROGRAM PARTICIPANT has no employees, no Workers' Compensation coverage is required. If the PROGRAM PARTICIPANT hires subcontractors to perform under this Contract, the PROGRAM PARTICIPANT shall assure that the subcontractor carries Workers' Compensation insurance for all of its employees, who are required to be covered by applicable law.
- III. **Notice of Cancellation:** Although it is the ultimate responsibility of the PROGRAM PARTICIPANT to notify the DISTRICT of insurance policy cancellation or change, each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after the insuring agency endeavors to mail a 30-day prior written notice to the DISTRICT.
- IV. **Additional Insured:** It is mandatory that all the above insurance policies (except Workers' Compensation) include the DISTRICT as additional insured with endorsement. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the PROGRAM PARTICIPANT.
- V. In addition, it is understood and agreed that the following be made a part of this Contract.
- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Program Participant's Insurance is Primary:** The PROGRAM PARTICIPANT's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the PROGRAM PARTICIPANT's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT's Risk Manager.