

AMENDMENT 3
Grant Agreement G07GMCT1
Proposition 1B: Goods Movement Emission Reduction Program

The parties mutually agree to this Amendment as follows. The reference date of this Amendment is July 15, 2011. The effective date of this Amendment is the date on which it is fully signed by all parties. All actions noted below are by this reference made a part of the Grant Agreement and incorporated herein:

This Amendment adds, deletes, or replaces provisions of the Grant Agreement between the San Joaquin Valley Air Pollution Control District (Local Agency) and the Air Resources Board (ARB). Deletions to the Grant Agreement are shown below with ~~strikeout~~ text and additions are shown with underlined text unless otherwise noted. ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

Fiscal Year Funds: FY2007-08 (Early Grants)
Trade Corridor: Central Valley
Funding Category: Other Trucks
Local Agency: San Joaquin Valley Air Pollution Control District
Program Funds: ~~\$4,935,000~~ \$5,701,500

Purpose. The purpose of Amendment 3 is to: (i) increase the amount of this Grant Agreement G07GMCT1 for Other Trucks to \$5,701,500 by \$766,500 in Program funds. The \$766,500 in Program funds was previously transferred to Grant Agreement G07GMCT3 for Other Trucks in Amendment 2, but was disbursed to Grant Agreement G07GMCT1 and are unspent.

The Proposition 1B: Goods Movement Emission Reduction Program Guidelines allow unspent Program funds from one grant to be reallocated to the Local Agency for use in another grant. The \$766,500 in unspent Program funds disbursed to the Local Agency under their existing Grant Agreement G07GMCT1 have been reallocated to the Local Agency's existing Grant Agreement G07GMCT3 in the amount of \$730,000 for project funds and \$36,500 for administrative funds. These funds and the associated emission reductions will be administered, tracked, and reported under Grant Agreement G07GMCT3.

The \$766,500 in reallocated Program funds disbursed under this Grant Agreement G07GMCT1 may be spent on eligible truck projects under Grant Agreement G07GMCT3 where the owner applied for funding in response to a solicitation and for administrative costs for those projects; and (ii) incorporate the changes described below to this Grant Agreement.

CHANGES TO GRANT AGREEMENT G07GMCT1

Page 1, paragraph 1 of the Grant Agreement is replaced by:

"This legally binding Proposition 1B: Goods Movement Emission Reduction Program (Program) GRANT AGREEMENT, including Exhibit 1 attached hereto, ~~AMENDMENT 1, and AMENDMENT 2, and any AMENDMENTS~~, is made and executed between the STATE OF CALIFORNIA, AIR RESOURCES BOARD ("ARB" or "Board") and the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT ("Local Agency"). The Program is intended to improve air quality and protect public health through the administration of State incentives for cleaner equipment and technologies associated with freight movement."

Page 1, paragraph 2 of the Grant Agreement is replaced by:

"The Local Agency agrees to perform the work described in the Program grant application as modified and clarified in ARB Resolutions 08-6, 08-12, 09-40, 10-18, and 10-27, this Grant Agreement, ~~Amendment 1, and Amendment 2, and any Amendments~~."

Section III. Local agency project description is replaced by:

"**III. Local agency project description:** Subject to the terms and conditions of this Grant Agreement, ~~Amendment 1, and Amendment 2, and any Amendments~~, ARB will provide funding up to the maximum amount of ~~\$4,935,000~~ \$5,701,500 (Budget Act Chapters 171 and 172, Statutes 2007 3900-001-6054) to the San Joaquin Valley Air Pollution Control District to administer a local agency project (Project) in the Central Valley Trade Corridor under the FY2007-08 Program. The Project is administration of Program incentives to equipment owners to upgrade existing heavy-duty diesel trucks in the "Other Trucks" source category that haul goods. The Project shall comply with the provisions of this Grant Agreement, ~~Amendment 1, Amendment 2, any Amendments~~, Resolutions 08-6, 08-12, 09-40, 10-18, and 10-27, the Guidelines and any subsequent amendments, and the Staff Report, all as interpreted and implemented by ARB staff."

New Section V. is added:

Section V. Funding limits: The unspent Program funds disbursed to the Local Agency under this Grant Agreement in the amount of \$730,000 (project) and \$36,500 (administrative) and reallocated to the Local Agency's existing Grant Agreement G07GMCT3 for Other Trucks may be spent on eligible truck projects where the owner applied for funding in response to a solicitation under Grant Agreement G07GMCT3 and for administrative costs for those projects. These funds and the associated emission reductions will be administered, tracked, and reported under Grant Agreement G07GMCT3.

Section A.2. Table 1. Program Funding and Performance Benchmarks for Other Trucks is replaced by:

"Table 1. Program Funding and Performance Benchmarks for Other Trucks

Minimum # Equipment Projects and Funding Cap	Maximum Program Funding Authorized			Estimated		
	Equipment Project Funds	Administrative Funds	Total Funds (Project plus Administrative)	Match Funding and Source	Total Cost of Local Agency Project	Emission Reductions Over Project Life (lbs)
Retrofit projects 11 trucks @ \$5,000 per truck	\$4,700,000 \$5,430,000 ¹ (-\$730,000) ²	\$235,000 \$271,500 ¹ (-\$36,500) ²	\$4,935,000 \$5,701,500 ¹ (-\$766,500) ²	Not applicable to early grants.		
Replacement projects 93 trucks @ \$50,000 per truck*		(5% of equipment project funds)				

*Last truck may receive less than \$50,000.

¹Funds authorized to be spent on this Grant Agreement, based on original award amounts.

²Unspent funds from this Grant Agreement which have been reallocated for use in the Local Agency's existing Grant Agreement G07GMCT3. These funds and associated emission reductions will be administered, tracked, and reported under Grant Agreement G07GMCT3."

The undersigned parties agree to the terms and conditions as set forth in this Grant Agreement Amendment 3. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement Amendment 3.

CALIFORNIA AIR RESOURCES BOARD PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM	
Local Agency Name: SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT	
Name Of Local Agency Representative With Signature Authority Seyed Sadredin	
Title Executive Director / Air Pollution Control Officer	
Mailing And Street Addresses SJVAPCD 1990 E Gettysburg Ave Fresno, CA 93726-0244	
Local Agency Representative Signature  Deputy APCD	Date 8/10/11
CALIFORNIA AIR RESOURCES BOARD	
Name Of ARB Representative With Signature Authority Cathy Chapin	
Title Chief, Financial Operations Branch	
Mailing And Street Addresses P.O. Box 2815, Sacramento CA 95812 1001 "I" Street, Sacramento CA 95814	
ARB Representative Signature 	Date 7/22/11
Total Amount Encumbered By This Grant Agreement \$766,500 Total Amount Encumbered By This Grant Agreement As Amended \$5,701,500	Fiscal Year Funds FY2007-08

AMENDMENT 2
Grant Agreement G07GMCT1
Proposition 1B: Goods Movement Emission Reduction Program

The parties mutually agree to this Amendment as follows. The reference date of this Amendment is November 1, 2010. The effective date of this Amendment is the date on which it is fully signed by all parties. All actions noted below are by this reference made a part of the Grant Agreement and incorporated herein:

This Amendment adds, deletes, or replaces provisions of the Grant Agreement between the Local Agency and ARB. Deletions to the Grant Agreement are shown below with ~~strikeout~~ text and additions are shown with underlined text unless otherwise noted. ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

Fiscal Year Funds: FY2007-08 (Early Grants)
Trade Corridor: Central Valley
Funding Category: Other Trucks
Local Agency: San Joaquin Valley Air Pollution Control District
Program Funds: ~~\$5,701,500~~\$4,935,000

Purpose. The purpose of Amendment 2 is to document the Local Agency's request and ARB's approval to: (i) reduce the amount of this Grant Agreement G07GMCT1 for Other Trucks to \$4,935,300, based on redirected funds in the amount of \$766,500 to the Local Agency's existing Grant Agreement G07GMCT3 for Other Trucks; and (ii) incorporate the changes described below to this Grant Agreement.

CHANGES TO GRANT AGREEMENT G07GMCT1

Page 1, paragraph 1 of the Grant Agreement is replaced by:

"This legally binding Proposition 1B: Goods Movement Emission Reduction Program (Program) GRANT AGREEMENT, including Exhibit 1 attached hereto, ~~dated June 3, 2008 (Date), and~~ AMENDMENT 1, and AMENDMENT 2, is made and executed between the STATE OF CALIFORNIA, AIR RESOURCES BOARD ("ARB" or "Board") and the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT ("Local Agency"). The Program is intended to improve air quality and protect public health through the administration of State incentives for cleaner equipment and technologies associated with freight movement."

Page 1, paragraph 2 of the Grant Agreement is replaced by:

"The Local Agency agrees to perform the work described in the Program grant application as modified and clarified in ARB Resolutions 08-6, 08-12, 09-40, ~~and 10-18,~~ and 10-27, this Grant Agreement, ~~and this Amendment 1, and Amendment 2.~~"

Section II. Documents incorporated by reference is replaced by:

II. Documents incorporated by reference: This Grant Agreement shall incorporate herein by reference the Local Agency Project Application and the Local Agency Resolution provided to ARB as part of the Application. This Grant Agreement shall also incorporate herein by reference ARB Resolution 08-6, the accompanying *Staff Report on Award of Fiscal Year 2007-08 Funds*, ARB Resolution 08-12, the *Final Proposition 1B: Goods Movement Emission Reduction Program Guidelines for Implementation* ("Guidelines") as adopted by the Board on February 28, 2008 and the associated *Final Staff Report on Guidelines for Implementation* ("Staff Report"), ARB Resolutions 09-40, ARB Resolution 10-18, and 10-27, plus any subsequent amendments to those Guidelines that apply to Fiscal Year 2007-2008 funds. The Local Agency is authorized to administer a Local Agency Project according to the requirements in the documents described above."

Section III. Local agency project description is replaced by:

III. Local agency project description: Subject to the terms and conditions of this Grant Agreement, Amendment 1, and Amendment 2, ARB will provide funding up to the maximum amount of ~~\$5,701,500~~ \$4,935,000 (Budget Act Chapters 171 and 172, Statutes 2007 3900-001-6054) to the San Joaquin Valley Air Pollution Control District to administer a local agency project (Project) in the Central Valley Trade Corridor under the FY2007-08 Program. The Project is administration of Program incentives to equipment owners to upgrade existing heavy-duty diesel trucks in the "Other Trucks" source category that haul goods. The Project shall comply with the provisions of this Grant Agreement, Amendment 1, Amendment 2, Resolutions 08-6, 08-12, 09-40, and

10-18, and 10-27, the Guidelines and any subsequent amendments, and the Staff Report, all as interpreted and implemented by ARB staff.”

Section A.2. Table 1. Program Funding and Performance Benchmarks for Other Trucks is replaced by:

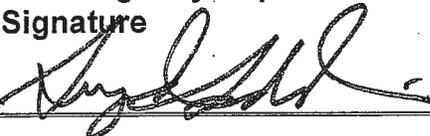
“Table 1. Program Funding and Performance Benchmarks for Other Trucks

Minimum # Equipment Projects and Funding Cap	Maximum Program Funding Authorized			Estimated		
	Equipment Project Funds	Administrative Funds	Total Funds (Project plus Administrative)	Match Funding and Source	Total Cost of Local Agency Project	Emission Reductions Over Project Life (lbs)
Retrofit projects: 45611 trucks @ \$5,000 per truck	\$5,430,000 <u>\$4,700,000</u>	\$271,500 <u>\$235,000</u> (5% of equipment project funds)	\$5,701,500 <u>\$4,935,000</u>	Not applicable to early grants.		
Replacement projects: 6393 trucks @ \$50,000 per truck*						

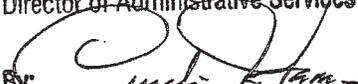
*Last truck may receive less than \$50,000.”

Director of Administrative Services
 Air Quality Management District
 1000 North Main Street, Suite 100
 Denver, CO 80202

The undersigned parties agree to the terms and conditions as set forth in this Grant Agreement Amendment 2. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement Amendment 2.

CALIFORNIA AIR RESOURCES BOARD PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM	
Local Agency Name: SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT	
Name Of Local Agency Representative With Signature Authority SEYED SADREDIN	
Title EXECUTIVE DIRECTOR/AIR POLLUTION CONTROL OFFICER	
Mailing And Street Addresses 1990 E GETTYSBURG AVE FRESNO, CA 93726-0244	
Local Agency Representative Signature 	Date 11/10/2010
CALIFORNIA AIR RESOURCES BOARD	
Name Of ARB Representative With Signature Authority Sheryl Brooks	
Title Chief (Acting), Administrative Services Division	
Mailing And Street Addresses P.O. Box 2815, Sacramento CA 95812 1001 "I" Street, Sacramento CA 95814	
ARB Representative Signature 	Date 11/18/10
Total Amount Encumbered By This Grant Agreement as Amended \$4,935,000	Fiscal Year Funds FY2007-08

Approved As To Accounting Form:
 Cindi Hamm, CPA
 Director of Administrative Services

By: 

Approved As To Legal Form:
 Philip M. Jay, District Counsel

By: 

AMENDMENT 1
Grant Agreement G07GMCT1
Proposition 1B: Goods Movement Emission Reduction Program

The parties mutually agree to this Amendment as follows. The reference date of this Amendment is August 31, 2010. The effective date of this Amendment is the date on which it is fully signed by all parties. All actions noted below are by this reference made a part of the Grant Agreement and incorporated herein:

This Amendment adds, deletes, or replaces provisions of the Grant Agreement between the Local Agency and ARB. Deletions to the Grant Agreement are shown below with ~~strikeout~~ text and additions are shown with underlined text unless otherwise noted. ~~ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.~~

Fiscal Year Funds: FY2007-08 (Early Grants)
Trade Corridor: Central Valley
Funding Category: Other Trucks
Local Agency: San Joaquin Valley Air Pollution Control District
Program Funds: \$5,701,500

Page 1, paragraph 1 of the Grant Agreement is replaced by:

"This legally binding Proposition 1B: Goods Movement Emission Reduction Program (Program) GRANT AGREEMENT, including Exhibit 1 attached hereto, dated June 3, 2008 (Date), and AMENDMENT 1 is made and executed between the STATE OF CALIFORNIA, AIR RESOURCES BOARD ("ARB" or "Board") and the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT ("Local Agency"). The Program is intended to improve air quality and protect public health through the administration of State incentives for cleaner equipment and technologies associated with freight movement.

Purpose. The purpose of this Amendment is to incorporate the changes described below to this Grant Agreement."

Prop. 1B:
Goods Movement
Emission Reduction
Program

Duplicate

Prop. 1B: Goods Movement
Emission Reduction Program

OCT 21 2010

Received

CHANGES TO GRANT AGREEMENT G07GMCT1

Page 1, paragraph 2 of the Grant Agreement is replaced by:

"The Local Agency agrees to perform the work described in the Program grant application as modified and clarified in Attachment C of ARB Resolutions 08-6, 08-12, 09-40, and 10-18, and in this Grant Agreement, and this Amendment 1."

Section I. Term is replaced by:

"**I. Term:** This Grant Agreement shall be effective as the later of June 15, 2008 or full execution of this Grant Agreement ("Start Date"), and shall continue in full force and effect until such time as all conditions of the Grant Agreement have been met or until December 31, 2016 October 31, 2015 ("End Date"), whichever is later. This End Date does not include the 35-year records retention obligation for projects funded with State and federal bonds."

Section II. Documents incorporated by reference is replaced by:

"**II. Documents incorporated by reference:** This Grant Agreement shall incorporate herein by reference the Local Agency Project Proposal and the subsequent Local Agency Resolution provided to ARB. This Grant Agreement shall also incorporate herein by reference ARB Resolution 08-6, the accompanying Staff Report on Award of Fiscal Year 2007-08 Funds, ARB Resolution 08-12, the Final Proposition 1B: Goods Movement Emission Reduction Program Guidelines for Implementation ("Guidelines") as adopted by the Board on February 28, 2008 and the associated Final Staff Report on Guidelines for Implementation ("Staff Report"), ARB Resolution 09-40, ARB Resolution 10-18, plus any subsequent amendments to those Guidelines that apply to Fiscal Year 2007-2008 funds. The Local Agency is authorized to administer a Local Agency Project according to the requirements in the documents described above."

Section III. Local agency project description is replaced by:

"**III. Local agency project description:** Subject to the terms and conditions of this Grant Agreement, ARB will provide funding up to the maximum amount of \$5,701,500 (Budget Act Chapters 171 and 172, Statutes 2007 3900-001-6054) to the San Joaquin Valley Air Pollution Control District to administer a local agency project (Project) in the Central Valley Trade Corridor under the FY2007-08 Program. The Project is administration of Program incentives to equipment owners to upgrade existing heavy-duty diesel trucks in the "Other Trucks" source category. The Project shall comply with the provisions of this Grant Agreement, plus the applicable elements of Appendix C of Resolutions 08-6, Resolution 08-12, 09-40, and 10-18, the Guidelines and any subsequent amendments, and the Staff Report, all as interpreted and implemented by ARB staff."

Section IV. Definitions is replaced by:

“IV. Definitions: All terms in this Grant Agreement are as defined in the Guidelines unless otherwise specified in this Grant Agreement.

“Guidelines” means the Proposition 1B: Goods Movement Emission Reduction Program Guidelines for Implementation and accompanying Final Staff Report adopted February 28, 2008, and any subsequent amendments to those Guidelines adopted by the Board or enacted via ARB Executive Order.”

A. Funding Category-Specific Elements

Section A.1. Approved project alternatives, Technology alternatives paragraph is replaced by:

- **“Technology alternatives:** For other trucks, the Local Agency shall only implement the retrofit and replacement equipment project options. The Local Agency must make a good faith effort to recruit trucks for each approved equipment project option, and fund all eligible trucks applying for each option up to the minimum number of trucks identified for that option in Table 1. If the demand for an equipment project option is less than the minimum number of trucks identified in Table 1, the Local Agency must document its recruiting efforts for all project options and may then transfer any remaining dollars, pursuant to the Guidelines. The Local Agency shall retain its documentation for audit purposes showing the good faith solicitation effort, as well as the applications received, evaluated, and funded according to the competitively ranked list.” and submit documentation to ARB. Upon approval by the Executive Officer, or his or her designee, the Local Agency may then transfer any remaining dollars to other equipment project options awarded to that agency within the truck category as set forth in Table 1.

Section A.3. Grant expenditure schedule is replaced by:

“A.3. Grant expenditure schedule: ARB shall authorize payment upon all of the following: ~~approval of a complete and accurate Grant Expenditure Request form and, where applicable, approval of all required reports. As described in the Guidelines, the Local Agency may request ARB to expend administrative funds according to the schedule in Table 2 and equipment project funds according to the schedule in Table 3:~~

- Approval of a complete and accurate Grant Expenditure Request form.
- Approval of all required reports where applicable. At ARB's discretion, these reports may include entry by the Local Agency of equipment project data into an electronic database maintained by ARB.
- The availability of bond funds for the requested purpose, as documented in a letter from ARB authorizing the Local Agency to proceed with Project implementation. The Local Agency understands and agrees that ARB's authorization letter may include specific restrictions on expenditures listed in Tables 2 and 3 below, and the Local Agency agrees to comply with all restrictions.

- ARB's determination that the Local Agency can reasonably execute contracts and close out payment according to the Project Schedule.

The Local Agency may request ARB to expend administrative funds according to the schedule in Table 2, and equipment project funds according to the schedule in Table 3, subject to the availability of bond funds for the requested purpose as documented in a letter from ARB to the Local Agency.

Table 2. ARB Expenditure of Administrative Funds for Other Trucks

Administrative Funds	Percent of Administrative Funds	Requirements
Initial administrative funds	Up to 50% of total funds, as authorized via ARB letter	May be requested following complete execution of grant agreement.
Additional administrative funds	Remaining funds, as authorized via ARB letter	May be requested after the Local Agency expends at least 50 percent of the equipment project Program funds, for equipment projects are liquidated by the Local Agency, or ARB comes within six months of ARB's liquidation deadline, whichever is sooner.

Table 3. ARB Expenditure of Equipment Project Funds for Other Trucks

Equipment Project Funds	Percent of Equipment Project Funds	Requirements
Initial equipment project funds	Up to 100% of funds authorized via ARB letter	May be requested once the Local Agency posts the an ARB-approved competitively ranked equipment project list on its website that demonstrates a demand for eligible equipment projects at the requested funding level, or within six months of ARB's liquidation deadline as specified in State law, whichever comes first.
Additional equipment project funds	Remaining funds, as authorized via ARB letter	May be requested at any time after the initial expenditure based on an ARB-approved competitively ranked equipment project list that demonstrates demand for eligible equipment projects at the requested funding level from ARB, but no later than six months before ARB's liquidation deadline under State law."

Section A.4. Project schedule is replaced by:

"A.4. Project schedule: The Local Agency shall obligate equipment project funds via executed equipment project contracts for other trucks no later than ~~July 31, 2008~~ June 30, 2010. The Local Agency shall verify project completion and close out payment for all equipment projects no later than ~~December 31, 2008~~ October 31, 2010. Other requirements applicable to this Local Agency Project that include, but are not limited to, evaluation of equipment projects and reporting to ARB shall continue through the End Date of this Grant Agreement."

B. General Program Provisions

Section B.2. Disposal of old equipment is replaced by:

“B.2. Disposal of old equipment: The Local Agency agrees to establish agreements with qualified salvage yards and verify scrappage/disposal of old vehicle, vessel, equipment, or engine consistent with requirements specified in ~~Chapter III.D.13~~ Chapter IV.A.14 of the Guidelines. The Local Agency understands and agrees that should the Guidelines be amended to allow a disposition other than scrappage/disposal, the Local Agency shall abide by those amended Guidelines.”

Section B.3. Earned interest is replaced by:

~~“B.3. Earned interest:~~ The Local Agency agrees to maintain records and report on interest earned on Program funds in Local Agency accounts, and to expend earned interest according to the provisions in ~~Chapter III.E.3~~ Chapter IV.B.3 of the Guidelines.”

Section B.5. Equipment project contracts is replaced by:

“B.5. Equipment project contracts: The Local Agency shall enter into a legally binding agreement with all equipment owners. The Local Agency agrees to include all equipment project requirements and conditions in contracts with equipment owners, including each provision specified in ~~Chapter III.D.10~~ Chapter IV.A.11 of the Guidelines. The Local Agency agrees to be fully responsible for ensuring all projects comply with minimum criteria and procedures contained in the Guidelines. The Local Agency agrees to include provisions in equipment project contracts to allow ARB or its designee to inspect equipment projects, enforce the terms of Local Agency contracts with equipment owners, and pursue repayment of Program funds for noncompliance with the terms and conditions of the contracts or applicable State laws or regulations.”

Section B.11. Non-performance remedies is replaced by:

“B.11. Non-performance remedies: Remedies for resolving areas of Local Agency non-performance shall include, but are not limited to, these actions as described in ~~Chapter II.E.7~~ Chapter II.F.7 of the Guidelines:

- Local agency probation and a corrective action plan.
- Recovery of funds obligated under this Grant Agreement.
- Constraints on the local agency's opportunity to compete for future Program funds.”

Section B.14. Recordkeeping and records access for audits is replaced by:

“B.14. Recordkeeping and records access for audits: The Local Agency agrees to establish an official file for the Project which shall adequately document all significant actions relative to the Project. The Local Agency agrees that ARB, the Department of Finance (DOF), the Bureau of State Audits (BSA), or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement. To meet State and federal bond requirements, the Local Agency agrees to maintain such records as specified in the Guidelines, as well as accounting records and reports for the fund accounts from which the proceeds were disbursed, for a possible audit for at least two years after the End Date or three years after final payment, whichever is later through April 2045 or to send all records to ARB by the End Date of the Grant Agreement in an electronic format to be determined by ARB. The Local Agency agrees to allow the auditor(s) access and to copy such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Local Agency agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Grant Agreement.”

Section B.15. Reporting requirements is replaced by:

“B.15. Reporting requirements: The Local Agency is responsible for submitting to ARB quarterly data updates, semi-annual reports, and Local Agency project completion reports as specified in ~~Chapter III.G.1-3~~ Chapter IV.E.1-3 of the Guidelines. The Local Agency shall submit these updates and reports in the format and manner identified by ARB. The Local Agency agrees that ARB may identify the format and manner of these updates and reports after execution of this Grant Agreement. The Local Agency shall submit quarterly updates and semi-annual reports on the schedule to be established by ARB. The semi-annual reports shall continue through the End Date of the Grant Agreement.”

Section B.17. Small businesses is replaced by:

“B.17. Small businesses: For shore power and truck stop electrification projects involving construction of electric infrastructure to replace diesel engine use, the Local Agency agrees to initiate outreach to small businesses for construction funded under this Grant Agreement, as described in ~~Chapter III.D.2.d~~ Chapter IV.A.2.d of the Guidelines.”

New Section B.19. is added:

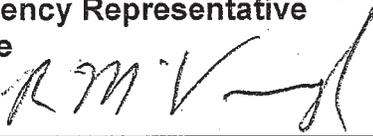
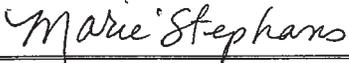
“B.19. Goods Movement Online Database: The Local Agency agrees to enter equipment project data, including equipment owner application information submitted during a solicitation, pre- and post equipment inspection data and photographic evidence, contract execution information, and expenditures of funds into the Goods Movement Online Database in a timely fashion.”

**EXHIBIT 1
STANDARD GRANT AGREEMENT PROVISIONS**

New Section 1-23. is added:

“1-23. Availability of funds: ARB’s obligations under this Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Local Agency or to furnish any other considerations under this Agreement.”

The undersigned parties agree to the terms and conditions as set forth in this Grant Agreement Amendment 1. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement Amendment 1.

CALIFORNIA AIR RESOURCES BOARD PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM	
Local Agency Name: SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT	
Name Of Local Agency Representative With Signature Authority Seyed Sadredin	
Title Executive Director/Air Pollution Control Officer	
Mailing And Street Addresses 1990 E Gettysburg Ave Fresno, CA 93726	
Local Agency Representative Signature 	Date 10/11/2010
CALIFORNIA AIR RESOURCES BOARD	
Name Of ARB Representative With Signature Authority Marie Stephans	
Title Chief, Administrative Services Division	
Mailing And Street Addresses P.O. Box 2815, Sacramento CA 95812 1001 "I" Street, Sacramento CA 95814	
ARB Representative Signature 	Date 9-2-2010
Amount Encumbered By This Grant Agreement \$5,701,500	Fiscal Year Funds FY2007-08

State of California
Proposition 1B:
Goods Movement Emission Reduction Program
GRANT AGREEMENT
Between
Air Resources Board and Local Agency

Fiscal Year Funds:	FY2007-08 (Early Grants)
Trade Corridor:	Central Valley
Funding Category:	Other Trucks
Local Agency:	San Joaquin Valley Air Pollution Control District
Program Funds:	\$5,701,500

Grant Number: G07GMCT1

This legally binding Proposition 1B: Goods Movement Emission Reduction Program (Program) GRANT AGREEMENT, including Exhibit 1 attached hereto, dated June 3, 2008 (Date), is made and executed between the STATE OF CALIFORNIA, AIR RESOURCES BOARD ("ARB" or "Board") and the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT ("Local Agency"). The Program is intended to improve air quality and protect public health through the administration of State incentives for cleaner equipment and technologies associated with freight movement.

The Local Agency agrees to perform the work described in the Program grant application as modified and clarified in Attachment C of ARB Resolution 08-12 and in this Grant Agreement.

I. Term: This Grant Agreement shall be effective as of the later of June 15, 2008 or full execution of this Grant Agreement ("Start Date"), and shall continue in full force and effect until such time as all conditions of the Grant Agreement have been met or until December 31, 2016 ("End Date"), whichever is later.

II. Documents incorporated by reference: This Grant Agreement shall incorporate herein by reference the Local Agency Project Proposal and the subsequent Local Agency Resolution provided to ARB. This Grant Agreement shall also incorporate herein by reference ARB Resolution 08-12, the *Final Proposition 1B: Goods Movement Emission Reduction Program Guidelines for Implementation* ("Guidelines") as adopted by the Board on February 28, 2008 and the associated *Final Staff Report on Guidelines for Implementation* ("Staff Report"), plus any subsequent amendments to those

Guidelines that apply to Fiscal Year 2007-2008 funds. The Local Agency is authorized to administer a Local Agency Project according to the requirements in the documents described above.

III. Local agency project description: Subject to the terms and conditions of this Grant Agreement, ARB will provide funding up to the maximum amount of \$5,701,500 (Budget Act Chapters 171 and 172, Statutes 2007 3900-001-6054) to the San Joaquin Valley Air Pollution Control District to administer a local agency project (Project) in the Central Valley Trade Corridor under the FY2007-08 early grant program. The Project is administration of Program incentives to equipment owners to upgrade existing heavy-duty diesel trucks in the "Other Truck" source category. The Project shall comply with the provisions of this Grant Agreement plus the applicable elements of Appendix C of Resolution 08-12, the Guidelines, and the Staff Report, as implemented by ARB staff.

IV. Definitions: All terms in this Grant Agreement are as defined in the Guidelines unless otherwise specified in this Grant Agreement.

A. Funding Category-Specific Elements

A.1. Approved project alternatives: The Local Agency may implement the following approved project alternatives, consistent with the Guidelines:

- **Technology alternatives:** For other trucks, the Local Agency shall only implement the retrofit and replacement equipment project options. The Local Agency must make a good faith effort to recruit trucks for each approved equipment project option, and fund all eligible trucks applying for each option up to the minimum number of trucks identified for that option in Table 1. If the demand for an equipment project option is less than the minimum number of trucks identified in Table 1, the Local Agency must document its efforts and submit documentation to ARB. Upon approval by the Executive Officer, or his or her designee, the Local Agency may then transfer any remaining dollars to other equipment project options awarded to that agency within the truck category as set forth in Table 1.
- **Project implementation approaches and contractors:** Not applicable.
- **Procedure/process alternatives:** Not applicable.
- **Geographic operations:** Not applicable.
- **Special provisions for early grants:** No solicitation process is required. However, the Local Agency shall use the competitive ranking process outlined in the Program Guidelines to select individual truck projects for funding based on the emission reductions to be achieved within California, and a competitively ranked list of trucks must be posted on the Local Agency's publicly available website prior to submitting a Grant Expenditure Request to ARB. Consistent with the Program Guidelines, the Local Agency shall not limit the operation of trucks funded under the Program to a geographic area smaller than the State of California, except that 50% of travel shall be required within the four trade corridors combined. In addition to the other eligibility requirements, trucks funded under the early grants must show travel greater than 10,000 miles per year over the last two years. The Local Agency may

not provide incentives in excess of \$50,000 per truck from all sources of State funds as defined in the Program Guidelines.

A.2. Funding and performance benchmarks: Based on the Local Agency application and ARB's funding award, the Local Agency shall complete the minimum number of equipment projects and be eligible to receive up to the specified maximum Program funding amounts, as shown in Table 1 below.

Table 1. Program Funding and Performance Benchmarks for Other Trucks

Minimum # Equipment Projects and Funding Cap	Maximum Program Funding Authorized			Estimated		
	Equipment Project Funds	Administrative Funds	Total Funds (Project plus Administrative)	Match Funding and Source	Total Cost of Local Agency Project	Emission Reductions Over Project Life (lbs)
Retrofit: 456 trucks @ \$5,000 per truck	\$2,280,000	\$271,500 (5% of equipment project funds)	\$5,701,500	Not applicable to early grants.		
Replacement: 63 trucks @ \$50,000 per truck	\$3,150,000					

The Local Agency shall not propose to offer Program funding at a level for each equipment project that exceeds the funding caps described in Table 1 and, after reviewing invoices submitted by equipment owners, shall only pay for eligible expenses up to the funding caps identified in Table 1.

A.3. Grant expenditure schedule: ARB shall authorize payment upon approval of a complete and accurate Grant Expenditure Request form and, where applicable, approval of all required reports. As described in the Guidelines, the Local Agency may request ARB to expend administrative funds according to the schedule in Table 2 and equipment project funds according to the schedule in Table 3:

Table 2. ARB Expenditure of Administrative Funds for Other Trucks

Administrative Funds	Percent of Administrative Funds	Requirements
Initial administrative funds	Up to 50%	May be requested following complete execution of grant agreement.
Additional administrative funds	Remaining	May be requested after 50 percent of the Program funds for equipment projects are liquidated by the Local Agency, or ARB comes within six months of ARB's liquidation deadline, whichever is sooner.

Table 3. ARB Expenditure of Equipment Project Funds for Other Trucks

Equipment Project Funds	Percent of Equipment Project Funds	Requirements
Initial equipment project funds	Up to 100%	May be requested once the Local Agency posts the competitively ranked equipment project list on its website, or within six months of ARB's liquidation deadline as specified in State law, whichever comes first.
Additional equipment project funds	Remaining	May be requested at any time after the initial expenditure from ARB, but no later than six months before ARB's liquidation deadline under State law.

A.4. Project schedule: The Local Agency shall seek to obligate equipment project funds via executed equipment project contracts for other trucks by July 31, 2008. The Local Agency shall verify project completion and close out payment for all equipment projects no later than December 31, 2008. Other requirements applicable to this Local Agency Project that include, but are not limited to, evaluation of equipment projects and reporting to ARB shall continue through the End Date of this Grant Agreement.

B. General Program Provisions

B.1. Communication: All communication regarding this grant from the Local Agency to ARB should be directed to the ARB Grant Lead identified on ARB's Program website at: <http://www.arb.ca.gov/gmbond>. Send all grant correspondence, including reports and Grant Expenditure Requests, to the named Grant Lead at:

Goods Movement Emission Reduction Program
 Planning and Technical Support Division
 California Air Resources Board

Standard U.S. Mail
 P.O. Box 2815
 Sacramento, CA 95812

Other Mail Services
 1001 I Street
 Sacramento, CA 95814

Fax: (916) 327-8524

B.2. Disposal of old equipment: The Local Agency agrees to establish agreements with qualified salvage yards and verify scrappage/disposal of old vehicle, vessel, equipment, or engine consistent with requirements specified in Chapter III.D.13 of the Guidelines. The Local Agency understands and agrees that should the Guidelines be amended to allow a disposition other than scrappage/disposal, the Local Agency shall abide by those amended Guidelines.

B.3. Earned interest: The Local Agency agrees to maintain records and report on interest earned on Program funds in Local Agency accounts, and to expend earned interest according to the provisions in Chapter III.E.3 of the Guidelines.

B.4. Eligible and ineligible costs: All Program expenditures by the Local Agency shall be directly tied to the purchase and installation of upgraded equipment or other eligible equipment project costs as defined in the Guidelines, or to Local Agency administration costs as allowed under this Grant Agreement and the Guidelines. Any cost specifically identified as ineligible in the Guidelines or accompanying Staff Report cannot be paid for or reimbursed with Program funds.

B.5. Equipment project contracts: The Local Agency shall enter into a legally binding agreement with all equipment owners. The Local Agency agrees to include all equipment project requirements and conditions in contracts with equipment owners, including each provision specified in Chapter III.D.10. of the Guidelines. The Local Agency agrees to be fully responsible for ensuring all projects comply with minimum criteria and procedures contained in the Guidelines. The Local Agency agrees to include provisions in equipment project contracts to allow ARB or its designee to inspect equipment projects, enforce the terms of Local Agency contracts with equipment owners, and pursue repayment of Program funds for noncompliance with the terms and conditions of the contracts or applicable State laws or regulations.

B.6. Equipment project inspections: The Local Agency agrees to complete equipment project pre-inspections prior to execution of an equipment project contract and post-inspections prior to reimbursement, except in the case of direct payment to vendor.

B.7. Grant expenditure requests: Grant Expenditure Request Forms can be downloaded from the Proposition 1B: Goods Movement Emission Reduction Program website at: <http://www.arb.ca.gov/gmbond>. Goods and services must be paid for and received within the period from the beginning to the end of the term of the Grant Agreement. All supporting documentation included with the Grant Expenditure Request Form must contain the appropriate grant number prior to submission to ARB.

B.8. Guidelines conformance: The Local Agency agrees to implement the Project in conformance with all applicable requirements of the Guidelines. In the event of any conflicts between this Grant Agreement or any of its amendments, the existing legislation for Proposition 1B, and the Guidelines, the existing legislation shall control, followed by the Guidelines, any amendments to this Grant Agreement in the reverse order in which they were executed, and the Grant Agreement.

B.9. Insurance: For shore power and truck stop electrification projects involving construction of electric infrastructure to replace diesel engine use, the Local Agency shall ensure that the equipment owner provides and maintains insurance against fire, vandalism and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Grant Agreement, if any, for the life of the equipment

project. This insurance shall be issued by a company or companies admitted to transact business in the State of California.

B.10. Non-performance: Non-performance by the Local Agency includes, but is not limited to, identified issues with any one or more of the following areas:

- Failure to comply with the Guidelines or statutes.
- Failure to obligate or expend Program funds within established timelines.
- Insufficient performance or widespread deficiencies with program oversight, enforcement, record keeping, contracting provisions, inspections, audit procedures or any other Program element as determined by ARB.
- Misuse of Program funds.
- Funding of ineligible equipment projects or other items.
- Exceeding administrative fund allotment.
- Insufficient, incomplete, or faulty project documentation.
- Failure to provide required documentation or reports requested from ARB, DOF, or other agencies in a timely manner.
- Poor performance as determined by an audit conducted by ARB, DOF or other designated agency or contractor.

B.11. Non-performance remedies: Remedies for resolving areas of Local Agency non-performance shall include, but are not limited to, these actions as described in the Chapter II.E.7 of the Guidelines:

- Local agency probation and a corrective action plan.
- Recovery of funds obligated under this Grant Agreement.
- Constraints on the local agency's opportunity to compete for future Program funds.

B.12. Non-performance remedies – fund reversion: Consistent with the provisions of the Guidelines for non-performance, ARB may require that all, or a portion of, the remaining unspent Program funds available for expenditure by ARB and/or the Local Agency plus any earned interest, revert back to the California Ports Infrastructure, Security, and Air Quality Improvement Account.

B.13. Non-performance remedies – withholding of funds: Consistent with the provisions of the Guidelines, ARB may withhold all or any portion of the grant funds provided for by this Grant Agreement in the event that the Local Agency has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Grant Agreement; or the Local Agency fails to maintain reasonable progress toward completion of the Project.

B.14. Recordkeeping and records access for audits: The Local Agency agrees to establish an official file for the Project which shall adequately document all significant actions relative to the Project. The Local Agency agrees that ARB, the Department of Finance (DOF), the Bureau of State Audits (BSA), or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement. The Local Agency agrees to

maintain such records for a possible audit for at least two years after the End Date or three years after final payment, whichever is later. The Local Agency agrees to allow the auditor(s) access and to copy such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Local Agency agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Grant Agreement.

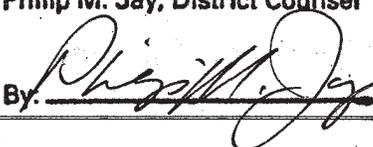
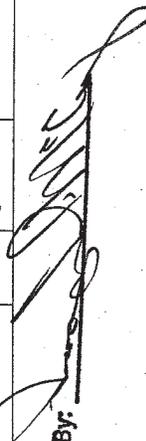
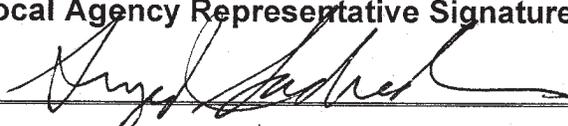
B.15. Reporting requirements: The Local Agency is responsible for submitting to ARB quarterly data updates, semi-annual reports, and Local Agency project completion reports as specified in Chapter III.G.1-3 of the Guidelines. The Local Agency shall submit these updates and reports in the format and manner identified by ARB. The Local Agency agrees that ARB may identify the format and manner of these updates and reports after execution of this Grant Agreement. The Local Agency shall submit quarterly updates and semi-annual reports on the schedule to be established by ARB. The semi-annual reports shall continue through the End Date of the Grant Agreement.

B.16. Program acknowledgment: The Local Agency agrees to acknowledge the "Proposition 1B: Goods Movement Emission Reduction Program" as a funding source in any related media events or other publicity material.

B.17. Small businesses: For shore power and truck stop electrification projects involving construction of electric infrastructure to replace diesel engine use, the Local Agency agrees to initiate outreach to small businesses for construction funded under this Grant Agreement, as described in Chapter III.D.2.d of the Guidelines.

B.18. Tax implications: The Local Agency agrees to notify equipment owners of possible tax implications from receipt of Program funds and encourage participants to consult a tax professional.

A.5. The undersigned parties agree to the terms and conditions as set forth in this Grant Agreement. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

CALIFORNIA AIR RESOURCES BOARD	
PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM	
Local Agency Name: SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT	
Name Of Local Agency Representative With Signature Authority Seyed Sadredin	
Title Executive Director/APCO	
Mailing and Street Addresses 1990 E. Gettysburg Avenue, Fresno, CA 93726	
Approved As To Legal Form: Philip M. Jay, District Counsel	
By: 	
Approved As To Accounting Form: Roger W. McCoy, Director Administrative Services	
By: 	
Local Agency Representative Signature 	Date June 9, 2008
CALIFORNIA AIR RESOURCES BOARD	
Name Of ARB Representative With Signature Authority Marie Stephans	
Title Chief, Administrative Services Division	
Mailing And Street Addresses P.O. Box 2815, Sacramento CA 95812 1001 "I" Street, Sacramento CA 95814	
ARB Representative Signature 	Date 6-3-08
Amount Encumbered By This Grant Agreement \$5,701,500	Fiscal Year Funds FY2007-08

**EXHIBIT 1
STANDARD GRANT AGREEMENT PROVISIONS**

1-1. Amendment: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.

1-2. Assignment: This grant is not assignable by the Local Agency, either in whole or in part, without the consent of ARB.

1-3. Compliance with law, regulations, etc.: The Local Agency agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.

1-4. Computer software: The Local Agency certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

1-5. Conflict of interest: The Local Agency certifies that it is in compliance with applicable State and/or federal conflict of interest laws.

1-6. Damages for breach affecting tax exempt status: In the event that any breach of any of the provisions of this Grant Agreement by the Local Agency shall result in the loss of tax exempt status for any State bonds, the Local Agency shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.

1-7. Disputes: The Local Agency shall continue with the responsibilities under this Grant Agreement during any dispute. Local Agency staff or management may work in good faith with ARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with ARB staff shall be subject to resolution by the ARB Executive Officer, or his designated representative, whose decision shall be final and binding

1-8. Environmental justice: In the performance of this Grant Agreement, the Local Agency shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.

1-9. Fiscal management systems and accounting standards: The Local Agency agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Local Agency further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.

1-10. Force majeure: Neither ARB nor the Local Agency shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.

1-11. Governing law and venue: This grant is governed by and shall be interpreted in accordance with the laws of the State of California. ARB and the Local Agency hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Local Agency hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.

1-12. Indemnification: The Local Agency agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Local Agency, and out of the operation of the Local Agency Project that is the subject of the Grant Agreement.

1-13. Local Agency's responsibility for work: The Local Agency shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Local Agency shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Local Agency and any other entity concerning responsibility for performance of work.

1-14. Independent actor: The Local Agency, and its agents and employees, if any, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of ARB.

1-15. Nondiscrimination: During the performance of this Grant Agreement, the Local Agency and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, 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 Local Agency and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.

1-16. No third party rights: The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

1-17. Prevailing wages and labor compliance: If applicable, the Local Agency agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Local Agency shall monitor all agreements subject to reimbursement from this Grant Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met.

1-18. Professionals: For shore power and truck stop electrification projects involving construction of electric infrastructure to replace diesel engine use, the Local Agency agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.

1-19. Severability: If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

1-20. Termination: ARB may terminate this Grant Agreement by written notice at any time prior to completion of the Project, upon violation by the Local Agency of any material provision after such violation has been called to the attention of the Local Agency and after failure of the Local Agency to bring itself into compliance with the provisions of this Grant Agreement in accordance with the non-performance provisions set forth in the Guidelines.

1-21. Timeliness: Time is of the essence in this Grant Agreement. The Local Agency shall proceed with and complete the Project in an expeditious manner.

1-22. Waiver of Rights: Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.