

Zero-Emission Assurance Project

Zero-Emission Assurance Project (ZAP) Applicant/Participant Terms and Conditions

Version 1

Approved: September 2025

Understanding Your Agreement with the Zero-Emission Assurance Project (ZAP)

As an applicant to and, if approved, a participant in the Zero-Emission Assurance Project (ZAP), you acknowledge and agree that you are applying for one-time assistance from a State of California grant program. This program is funded by the California Air Resources Board (CARB) and administered by its designated Program Administrator. ZAP is a post-purchase assistance program specifically designed for California residents who have previously purchased a used Zero-Emission Vehicle (ZEV) or Near-Zero Emission Vehicle (NZEV) through a qualifying CARB incentive program and are now experiencing operational issues with specific battery and fuel cell vehicle components.

This document constitutes the official "Terms and Conditions" for the ZAP program. By submitting a program questionnaire, or submitting a formal application for assistance, you acknowledge that you have read, fully understood, and agree to be legally bound by all sections, policies, and requirements contained herein and contained within the Consumer Guide. These Terms and Conditions form a binding agreement between you and the ZAP Program Administrator.

Both the Terms and Conditions and the Consumer Guide in place at the time of application submission (signing the Terms and Conditions is a part of application submission) will determine the applicant's eligibility for the program. The most recent version of the Terms and Conditions and the Consumer Guide can be found on the <http://www.drivingcleanca.org/zap> website.

It is critical to understand the scope and limitations of the ZAP program. The assistance provided by ZAP is not a vehicle warranty, a service contract, an insurance policy, or a guarantee of your vehicle's past, present, or future performance. The program's purpose is



Zero-Emission Assurance Project

strictly limited to providing a defined level of financial assistance for either the repair of a Qualifying Issue or a grant toward the purchase of a replacement vehicle, as detailed in these terms. The program is not an extension of any original manufacturer or dealership warranty and does not obligate the Program Administrator to address any and all issues with your vehicle. The final determination of eligibility for the program and for specific assistance rests solely with the Program Administrator and CARB.

Definitions

Applicant: Any person who meets the basic eligibility criteria for the ZAP program and has submitted a questionnaire but has NOT yet completed an authorized Diagnostic Appointment.

Battery Electric Vehicle (BEV): A vehicle that operates solely by use of a battery or battery pack, or that is powered primarily using an electric battery or battery pack but uses a flywheel or capacitor that also stores energy produced by the electric motor or through regenerative braking to assist in vehicle operation.

California Air Resources Board (CARB): The California state agency charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change. For more information, please visit:
<https://ww2.arb.ca.gov/homepage>.

CARB Incentive Programs: Includes the Driving Clean Assistance Program (DCAP), Clean Vehicle Assistance Program (CVAP), and Clean Cars 4 All (CC4A).

Clean Cars 4 All (CC4A): A program that focuses on providing incentives through California Climate Investments to lower-income California drivers to scrap their older, high-polluting car and replace it with a zero- or near-zero emission replacement. The program aims to focus the benefits of the program to low-income and disadvantaged communities and has a heavy emphasis on consumer protections, education about the new technologies, and coordination with other clean transportation programs.



Zero-Emission Assurance Project

Diagnostic/Repair Center: A third-party automotive service facility that has been formally vetted and approved by the Program Administrator to perform diagnostic assessments and/or repairs for the ZAP program.

Donated Vehicle: A vehicle surrendered to the ZAP program by a Participant who has been approved for and has chosen to proceed with the Route #2 Vehicle Replacement Grant pathway. This vehicle becomes the property of the ZAP program upon the execution of a binding donation agreement.

Education and Training Partner Network: A network of affiliated community colleges, vocational schools, and other organizations that collaborate with the ZAP program to reuse or repurpose donated vehicle components for educational and workforce training purposes.

Fuel Cell Electric Vehicles (FCEV): A vehicle that receives propulsion energy from both an on-board fuel cell power system and either a battery or a capacitor. An FCEV is equivalent to a “hybrid fuel cell vehicle.”

Grant: Money given to a person, business, government or other entity that is designated for a specific purpose and that does not need to be repaid as long as the grant terms are met.

Judgment lien: An involuntary lien imposed by a court order for an unpaid debt. Creditors can obtain a monetary judgment, and if the debtor fails to pay, the creditor can levy the vehicle (often involving seizure and sale) to satisfy the judgment. This lien is legally imposed, not voluntarily granted by the owner.

Participant: Any person who has completed an authorized Diagnostic Appointment, has formally applied for assistance through one of the two program pathways, AND whose application has been formally approved by the Program Administrator.



Zero-Emission Assurance Project

Program Administrator: The entity, such as the Community Housing Development Corporation (CHDC), designated by CARB to manage the day-to-day operations of the ZAP program.

Program Pathway: The distinct options available to qualified applicants within the ZAP program, outlining the specific assistance, requirements, and responsibilities associated with each route.

Near-Zero Emission Vehicle (NZEV): Plug-in hybrid electric vehicle (PHEV)

Qualifying Issue: A diagnosed degraded battery pack, fuel cell, or covered system components.

Recycling (Vehicle Retirement): Taking a vehicle or unusable components to an authorized dismantler for retirement.

Replacement Vehicle: The vehicle that a participant purchases or leases through the Vehicle Replacement Grant pathway.

Unqualifying issue: Any repair other than repairs of degraded battery packs, fuel cell, or covered system components, or repairs covered by an extended warranty, manufacturer warranty, or manufacturer recall. This includes but is not limited to tire rotations, brake pad replacement, fluid changes, or repair of suspension components or windshield wipers.

Traditional Lien (Consensual Lien/Security Interest): A common type of auto lien that occurs when a borrower grants a creditor an interest in the vehicle for a loan. The loan agreement specifies the vehicle as collateral, and the lien is perfected by noting it on the title. The lien is released upon loan repayment, resulting in a clear title.

Zero-Emission Vehicle (ZEV): Any vehicle certified to zero-emission standards. This category includes BEVs and FCEVs.



Zero-Emission Assurance Project

Application and Diagnostic Process

Your Application and Eligibility

As an Applicant, you agree to adhere to the initial application and eligibility verification process. You must provide complete, accurate, and truthful information in your initial program questionnaire and throughout all subsequent stages of the application process. Upon request from the Program Administrator, you must provide clear, legible, and current copies of all required documentation. This documentation is necessary for formal eligibility verification and may include, but is not limited to, a valid California Driver's License, a current California Vehicle Registration for the vehicle in question, and proof of continuous vehicle insurance for the preceding two years. You acknowledge that final eligibility is determined solely by the Program Administrator and CARB based on a review of your submitted information and documentation against program guidelines, as set forth in these Terms and Conditions and the Consumer Guide. Eligibility is not presumed or guaranteed at any point prior to receiving a formal notification of approval.

Diagnostic Appointment Obligations

Should you pass the initial eligibility screening, you will be scheduled for a mandatory diagnostic appointment. You must attend this scheduled appointment at the specified date and time at an Approved Diagnostic Center. The registered owner of the vehicle must be present for the appointment and must provide their valid California Driver's License for verification.

Failure to attend a scheduled appointment has significant consequences. You acknowledge and agree to the following policy regarding missed appointments:

- **First Missed Appointment:** May be rescheduled once without penalty, subject to availability.
- **Second and Third Missed Appointments:** Rescheduling is at the sole discretion of the Program Administrator. Repeated failure to attend may jeopardize your standing in the program.
- **Fourth Missed Appointment:** Will result in your immediate and permanent ineligibility for any and all assistance from the ZAP program.



Zero-Emission Assurance Project

Understanding Diagnostic Outcomes

During your appointment, you have the right to receive a brief, verbal explanation of the tests performed directly from the diagnostic professional at the Approved Diagnostic Center. However, you must acknowledge and agree that this on-site explanation is preliminary. The ZAP Program Administrator, not the diagnostic center, makes the final and binding determination of whether a diagnosed issue constitutes a Qualifying Issue. This official determination is made only after the Program Administrator receives and reviews the formal, detailed diagnostic report from the center.

You further understand that if the diagnostic assessment finds only issues that are not covered by the program (unqualifying issues), ZAP will not provide any financial assistance for their repair. If both qualifying and unqualifying issues are found, the Program Administrator will obtain separate repair estimates. The estimate for unqualifying repairs is provided for your informational purposes only, and you are solely responsible for the cost of such repairs.

Program Pathways and Your Commitments

Making Your Pathway Choice

Following the completion of the diagnostic process and a formal follow-up explanation of the results and the final repair cost estimates by ZAP staff, you will be required to make a formal, binding, and irrevocable choice between the two program pathways: Route #1 (Vehicle Repair Assistance) or Route #2 (Vehicle Replacement Grant). This decision is a critical commitment that dictates the nature of assistance you may receive.

You agree to make this binding choice within the strict timeframe established by the program, which is based on the operational status of your vehicle:

- If your vehicle was towed to the facility and is inoperable, you must make your decision within **3 business days** of receiving the results explanation from ZAP staff.
- If your vehicle is operable when picked up from the diagnostic center, you must make your decision within **5 business days** of receiving the results explanation from ZAP staff.



Zero-Emission Assurance Project

Failure to decide within the specified timeframe may result in the closure of your case and forfeiture of any potential assistance. To ensure you can make a fully informed choice under these time constraints, the key terms of each pathway are summarized below.

Comparison of ZAP Assistance Pathways

<u>Feature</u>	<u>Route #1: Vehicle Repair Assistance</u>	<u>Route #2: Vehicle Replacement Grant</u>
Program Benefit	Financial assistance to repair your current vehicle.	A grant to help you purchase or lease an eligible replacement vehicle ONLY IF the final cost estimate for qualifying repairs to your vehicle, including labor cost, meets or exceeds \$7,500.
Maximum Assistance	\$7,500 paid directly to the repair facility for Qualifying Issues.	\$10,000 grant paid directly to the seller/lessor of the replacement vehicle.
Your Financial Responsibility	You are 100% responsible for all repair costs for Qualifying Issues that exceed \$7,500 AND for the full cost of any unqualifying repairs you authorize.	You are 100% responsible for any vehicle purchase/lease price, taxes, and fees that exceed the maximum grant amount of \$10,000.
Outcome for Your Current Vehicle	You retain ownership of your repaired vehicle.	You must donate your current vehicle to the ZAP program. This is a mandatory and irrevocable condition of receiving the grant.
Key Action from You	Sign the approved final cost estimate.	Sign a formal grant application and a binding Vehicle Donation Agreement, transferring the title to the ZAP program.



Zero-Emission Assurance Project

Terms of Route #1: Vehicle Repair Assistance

By choosing this pathway, and upon approval of your application, you become a Participant. You agree that ZAP's financial contribution is strictly limited to a maximum of \$7,500, paid directly to the Approved Repair Center, for the cost of approved Qualifying repairs only. You acknowledge and accept your sole and absolute financial responsibility for any and all costs exceeding this \$7,500 cap for Qualifying repairs. Furthermore, you are entirely responsible for the full cost of any Unqualifying repairs you choose to authorize. Payment for these additional costs must be made by you directly to the repair facility before your vehicle can be released. You must also abide by any specific repair facility agreements, including but not limited to liability waivers, repair estimate disclosures, etc. that you agreed to and signed at the repair facility prior to your authorization of the repairs.

Terms of Route #2: Vehicle Replacement Grant and Donation

This pathway is **ONLY** available **IF** the final cost estimate for repairs to your vehicle, including labor cost, meets or exceeds \$7,500. By choosing this pathway, and upon approval of your application, you become a Participant. You agree to the **mandatory and irrevocable donation** of your current vehicle to the ZAP program prior to receiving the grant and as a condition of receiving the grant. This is not optional. You also agree to execute a binding vehicle title transfer document or documents (e.g., California Certificate of Title) to provide the ZAP program with a clear, unencumbered title to the vehicle, free of any judgment liens or other legal claims. The donated vehicle becomes a program asset, and you waive any and all future claims to the vehicle, its components, or any value derived from its subsequent repair, reuse, repurposing, or recycling by the program. You are solely responsible for all aspects of finding, negotiating the price for, and completing the purchase/lease paperwork for an eligible replacement vehicle. You acknowledge that a \$10,000 grant is the maximum assistance possible under this pathway, and you are responsible for any and all costs associated with the purchase/lease that exceed this amount. The grant will be paid directly to the seller/lessor upon your submission of all required purchase/lease documentation (See Vehicle Purchase/Lease Requirements section of ZAP Consumer Guide).



Zero-Emission Assurance Project

General Terms of Participation

Your Responsibility to Communicate

Throughout your engagement with the ZAP program, you agree to maintain accurate and up-to-date contact information (email address, phone number, mailing address, street address) with the Program Administrator. You acknowledge that email is the primary method of official communication for the program. You are responsible for regularly checking your email, including any spam or junk mail folders, and for ensuring that your email settings allow messages from the program's domain (@DrivingCleanCA.org) and that program phone numbers are not blocked. You are advised to add the Program Administrator's email domain, @DrivingCleanCA.org, to your safe senders list. The Program Administrator is not responsible for consequences arising from your failure to receive communications that were sent to the contact information on file.

Post-Assistance Cooperation

You agree to cooperate with the Program Administrator in all post-approval follow-up activities. This includes, but is not limited to, responding to communications to confirm the completion of your chosen pathway and providing any final required documentation. You also agree to respond to program evaluation efforts, such as periodic surveys, which are essential for program reporting, analysis, and future improvement.

Forfeiture of Services

The ZAP program is committed to providing excellent service in a respectful environment. The Program Administrator reserves the right to refuse service, withdraw a previously approved application, or render an Applicant or Participant ineligible for all program services if that individual engages in behavior that is deemed offensive, disrespectful, threatening, or harassing toward program staff, partners, or affiliates at Approved Centers.



Zero-Emission Assurance Project

Vehicle Transport, Storage, and Rentals

Towing and Transportation

You, the Applicant, are **solely and entirely responsible** for arranging, coordinating, and paying for any and all towing or transportation of your vehicle to or from an Approved Diagnostic or Repair Center. The ZAP program does not coordinate, authorize, pay for, or reimburse any towing services or associated costs under any circumstances. Any information provided by ZAP staff regarding local towing companies is offered as a courtesy only and does not constitute an endorsement, partnership, or assumption of liability.

Rental Vehicle Usage

You understand that a rental vehicle may be provided by the program at no cost to you, excluding fuel and incidental charges, only under specific circumstances: if an authorized diagnostic or repair service is estimated by the service center to exceed eight hours or a standard workday. The provision of a rental vehicle is for the duration of the authorized service only. You agree that you are **absolutely and solely liable** for all other costs associated with the rental vehicle, including but not limited to fuel, refueling charges, tolls, traffic violations, parking fines, and any damage to the vehicle. To receive a rental vehicle, you must provide a valid driver's license and meet all requirements of the third-party rental vendor, which may include age restrictions.

Vehicle Abandonment

This section outlines the significant financial liabilities you assume for a vehicle left at any facility associated with this program. A vehicle is considered **abandoned** if you fail to retrieve it from an Approved Diagnostic or Repair Facility within 10 business days after being formally notified in writing by the Program Administrator to do so. Such notification may be issued if, for example, your application is denied, or you fail to proceed with a program pathway after a diagnostic is completed.



Zero-Emission Assurance Project

You acknowledge that you are **solely responsible for all storage fees** assessed by the facility for an abandoned vehicle. These fees may begin accruing after a grace period specified in the formal notification. You acknowledge and agree that a vehicle deemed abandoned is subject to a **judgment lien sale** by the facility in accordance with the procedures established under California state law. This legal process allows the facility to sell your vehicle to recover its unpaid storage and administrative costs. The ZAP program has no liability or involvement in this process beyond the initial notification.

Denials

If your application is denied at any stage of the process, you will receive a formal written notification via email. This notification will state the specific reason(s) for the denial and will reference the relevant program guideline(s) that were not met.

You agree that the ZAP Program Administrator, under the oversight of CARB, is the final authority on the interpretation and application of all program guidelines, policies, these Terms and Conditions, and the Consumer Guide.

Case Evaluations

The case evaluation request process should **not** be used to request exceptions to the requirements and policies of the program. **Case evaluations should only be requested when the applicant/participant/consumer believes that the ZAP Terms and Conditions and/or the ZAP Consumer Guide are not adhered to.** The act of submitting a case evaluation request does **not** reserve funding, re-open an application, or reserve a place in the application queue.

Applicants/participants/consumers whose incentive applications have been approved, cancelled, rejected, or denied by the Program Administrator may request a case evaluation **within ten calendar days** of application approval/cancellation/rejection/denial (mailed hard copy case evaluation requests must be postmarked within ten calendar days of application approval/cancellation/rejection/denial). Case evaluation requests must set forth all facts that form the basis for a case evaluation request. If the only basis for a case evaluation request is that the applicant/participant/consumer disagrees with the policies



Zero-Emission Assurance Project

set forth in the ZAP Terms and Conditions and/or the ZAP Consumer Guide, then there is no basis for a case evaluation request; the case evaluation will be closed; and the Program Administrator's original decision will stand. There is no right to administrative or judicial appeal.

For security reasons, emailed case evaluation requests will **not** be accepted. Instructions on how to submit a case evaluation request are included in the ZAP Consumer Guide.

Funding Availability

You understand and acknowledge that all assistance provided through the ZAP program, including payments for approved repairs or grants, is strictly contingent upon the availability of program funds from CARB. A formal approval notification for a repair or grant reserves funds for your benefit but does not constitute an absolute guarantee of payment if program funds are depleted before the transaction is complete. The Program Administrator will provide public notice if funds are exhausted.

Privacy Policy and Consent to Use Information

By applying for the ZAP program, you acknowledge that you are voluntarily submitting personally identifying information (PII). You provide your express consent for the Program Administrator and CARB to collect, store, use, and share your PII and any other information related to your application and vehicle diagnostic data.

This consent is granted for the express purposes of:

- Verifying your identity and determining your eligibility for the program.
- Administering program benefits, including processing payments to partners.
- Communicating with you and with program partners (Approved Diagnostic Centers, repair facilities, vehicle sellers/lessors).
- Conducting program analysis, research, evaluation, and reporting.
- Preventing and investigating fraud.
- Fulfilling legal and regulatory record-keeping requirements.



Zero-Emission Assurance Project

Your information will be handled in accordance with applicable state and federal privacy laws. For more detailed information, please review the ZAP Privacy Policy available on the program website.

Applicant/Participant Acknowledgment and Binding Signature

By signing below (includes electronic signature), you affirm the following:

1. I have read, fully understand, and agree to be legally bound by all the Zero-Emission Assurance Project (ZAP) Terms and Conditions as outlined in this document.
2. I have read, fully understand, and agree to be legally bound by the ZAP Consumer Guide.
3. I declare that all information I have provided to the ZAP program is true, correct, and complete to the best of my knowledge, and I understand that providing false information will result in immediate disqualification and may have legal consequences.
4. I understand the specific financial responsibilities, limitations, and personal liabilities associated with the program and the specific assistance pathway I may choose.
5. I have read and understand the ZAP Privacy Policy and consent to the use of my information as described herein.

Participants Name: _____

Participants Signature: _____

Date: _____

