

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Board Meeting Date: Tuesday, December 9, 2025

***Request to Approve an Extension of the 15% Purchase Requirement Timeframe
and the Initial Term of the Regulatory Agreement¹***

**CalBioGas Buttonwillow III LLC
Application No. 24-SM019**

Prepared By: *Joshua Moua, Program Analyst*

SUMMARY

Applicant: CalBioGas Buttonwillow III LLC

Location: Wasco, Kern County

Industry: Dairy Biogas

Project: New Dairy Biogas Production Facility (Alternative Source)

Total Amount of Qualified Property Approved: \$9,796,303

Estimated Sales and Use Tax Exclusion Amount at Approval:² \$826,808

Total Amount of Qualified Property Purchased to Date: \$202,172 (2%)

Initial Board Approval Date: July 16, 2024

Amount of Time Requested:

- Requesting a one-year and six-month extension, until July 16, 2027, for the 15% purchase requirement timeframe (three years from the date of initial CAEATFA Board approval)
- Requesting a two-year extension, until July 16, 2029, for the initial term of the Regulatory Agreement (five years from the date of initial CAEATFA Board approval)

Staff Recommendation: Approval

¹ All capitalized terms not defined in this document are defined in the Sales and Use Tax Exclusion Program's statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate at the time of initial approval, which was 8.44%.

BACKGROUND

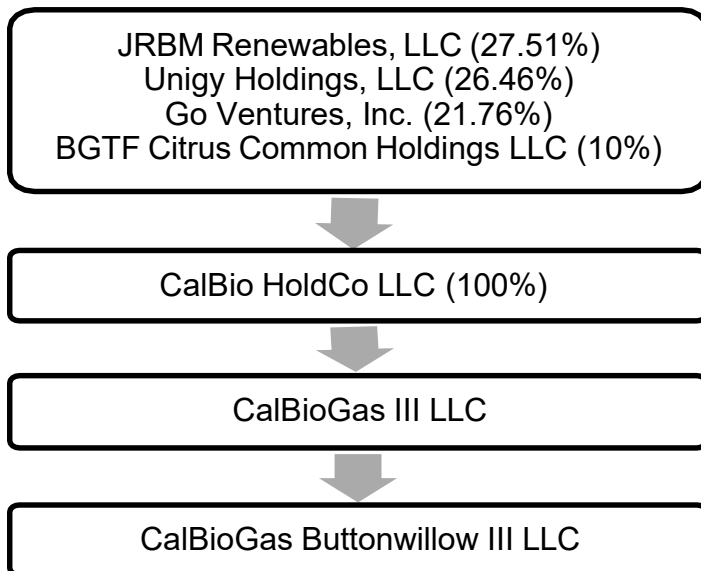
On July 16, 2024, the CAEATFA Board approved a Sales and Use Tax Exclusion (“STE”) award for CalBioGas Buttonwillow III LLC (the “Applicant”) for the purchase of up to \$9,796,303 in Qualified Property to build a new dairy biogas operation consisting of two modern dairies located in Wasco (the “Project”). The Regulatory Agreement (“Agreement”) provided the Applicant with 18 months from the date of CAEATFA Board approval to purchase or execute purchase orders for at least 15% of the total Qualified Property amount approved. Also, the Agreement initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.³

As of October 2025, CalBioGas Buttonwillow III LLC has used the STE to purchase approximately \$202,000 of Qualified Property. The Applicant is requesting to extend the 15% purchase requirement timeframe to accommodate delays in stakeholder negotiations and additional design evaluations required to address onsite technical challenges. The Applicant is also requesting to extend the Agreement’s initial term for the same accommodation.

THE APPLICANT

CalBioGas Buttonwillow III LLC is a California limited liability company that formed in 2022. The Applicant is a new dairy biogas facility headquartered in Visalia that will process biogas into biomethane and sell it to distributors as renewable vehicle fuel (R-CNG). The Applicant is able to obtain its manure digester feedstock through its relationship with California dairy farmers.

The ownership structure of the Applicant is as follows:



³ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)

The company officers of the Applicant are:

- Ross Buckenham, Chief Executive Officer
- David DeGroot, Chief Operating Officer
- Abdulla Kagalwalla, Chief Financial Officer

THE PROJECT

The Applicant received an STE award to build a new dairy biogas operation consisting of two modern dairies located in Wasco. According to the Applicant, it will process biogas into renewable natural gas (RNG) and sell it directly or indirectly as a renewable vehicle fuel known as R-CNG, which can be substituted for diesel in a near zero emission CNG truck or bus engine and can reduce NOx emissions by 90% when compared to the standard diesel fuel engine. The Applicant states individual dairies export their biogas from their dairy digester through a small conditioning plant, compressor station and meter out to a collection or a gathering line system that collects the gas from neighboring dairies. The collection system then delivers the biogas to a centralized upgrading plant for processing into a clean biomethane product. When the renewable gas is delivered to a refinery for incorporation into gasoline or sent to a CNG fueling station for use as a compressed natural gas vehicle fuel, it will generate a Low Carbon Fuel Standard credit. The R-CNG will also generate a cellulosic Federal Renewable Fuel Standard Identification Number, category D3 (D3-RIN).

15% PURCHASE REQUIREMENT TIMEFRAME EXTENSION REQUEST

The Applicant has requested that the 15% purchase requirement timeframe be extended from January 16, 2026, to July 16, 2027 in order to accommodate delays in stakeholder negotiations and additional design evaluations required to address onsite technical challenges.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from July 16, 2027, to July 16, 2029, in order to accommodate delays in stakeholder negotiations and additional design evaluations required to address onsite technical challenges.

STAFF EVALUATION

The CAEATFA Board can extend the 15% purchase requirement timeframe upon a finding of extraordinary circumstances and that an extension is in the public interest and advances the purposes of the STE Program.⁴

The CAEATFA Board can extend the initial term of the Agreement upon a finding that an extension is in the public interest and advances the purposes of the STE Program.⁵

The Applicant experienced delays with the early development stage of the Project, which prevented advancement into procurement and construction within the original

⁴ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(A)

⁵ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(B)

timeline. Extended negotiations among multiple stakeholders and additional evaluations of early design concepts, particularly related to technical and operational feasibility, took longer than initially anticipated. The main delay came from the dairy owner, who raised new concerns throughout the process, including specific water issues in the Wasco area that required further review. The Applicant also experienced delays due to the Federal government shutdown, which impacted the timing of the 45Z Clean Fuel Production Tax Credit ruling. According to the Applicant, final agreements and approvals are anticipated to be signed by January 2026.

Staff find the reasons for delay reasonable and largely beyond the Applicant's control, given the complexity of multi-stakeholder coordination, technical feasibility assessments, and the unforeseen fire incident. The Applicant states that with critical planning and preparatory activities now in advanced stages, key design decisions finalized, and stakeholder alignment achieved, the Project is well positioned to begin purchases of Qualified Property. Procurement readiness has improved significantly, with vendor quotes, selections, and contracts in place. The Applicant anticipates that the extended period will enable the majority of equipment purchases to occur throughout 2026. Construction is anticipated to start Q1 of 2027 and complete in Q4 of 2027.

Based on this information, Staff believes these are extraordinary circumstances, and that extending the 15% purchase requirement timeframe will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program. Staff also believes extending the initial term of the Agreement will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program.

LEGAL STATUS QUESTIONNAIRE

Staff reviewed the Applicant's Legal Status portion of the extension request. No information was disclosed concerning the financial viability or legal integrity of the Applicant.

CAEATFA FEES

In accordance with STE Program regulations,⁶ the Applicant's request to extend the 15% purchase requirement timeframe and the initial term qualifies as a modification to the Applicant's Agreement, incurring additional fees. The Applicant has paid the additional fee of \$2,250.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe by one year and six months, until July 16, 2027, as the Applicant has demonstrated extraordinary circumstances, and it is in the public interest and advances the purposes of the STE Program.

⁶ California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(C)

Agenda Item – 4.B.8
Resolution No. 24-SM019-02

Staff recommends that the Board approve the Applicant's request to extend the initial term of the Agreement by two years, until July 16, 2029, as it is in the public interest and advances the purposes of the STE Program, and the full term shall be for a period of 17 years, until July 16, 2041, for providing annual compliance reports.⁷

ATTACHMENTS

Attachment A: CalBioGas Buttonwillow III LLC's Letter Requesting Waiver
(October 10, 2025)

Attachment B: CalBioGas Buttonwillow III LLC's Staff Summary at the Time of Approval

⁷ California Code of Regulations Title 4, Division 13, Section 10035(a)(2)

**RESOLUTION APPROVING AN EXTENSION OF
CALBIOGAS BUTTONWILLOW III LLC'S 15% PURCHASE REQUIREMENT
TIMEFRAME AND THE INITIAL TERM UNDER THE REGULATORY AGREEMENT**

December 9, 2025

WHEREAS, on July 16, 2024, the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority"), a public instrumentality of the State of California, approved a Sales Tax Exclusion ("STE") in the amount of \$9,796,303 of Qualified Property for **CalBioGas Buttonwillow III LLC** (the "Applicant"); and

WHEREAS, within 18 months of approval by the Authority, the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property listed in the approval resolution (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding of extraordinary circumstances and that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property within 18 months of Application approval (STE Program regulations Section 10035(b)(1)(A)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase or execute purchase orders for at least 15% of the Qualified Property amount within 18 months due to unexpected delays in the Project timeline, extending the term by one (1) year and six (6) months to July 16, 2027; and

WHEREAS, the Applicant has demonstrated extraordinary circumstances as to why it cannot meet the 18-month 15% purchase requirement timeframe; and

WHEREAS, within three (3) years of approval by the Authority, the Applicant must make all Qualified Property purchases (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three (3) years of Application approval (STE Program regulations Section 10035(b)(1)(B)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three (3) years, due to unexpected delays in the Project timeline, extending the term by two (2) years to July 16, 2029; and

WHEREAS, granting the waivers will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial

Agenda Item – 4.B.8
Resolution No. 24-SM019-02

approval of the Project in accordance with the law, thereby advancing both the public interest and the purposes of the Program.

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Authority finds these are extraordinary circumstances and that it is in the public interest and advances the purposes of the Program to extend the Applicant's deadline to meet the 15% purchase requirement to July 16, 2027.

Section 2. The Authority finds that it is in the public interest and advances the purposes of the Program to extend the Applicant's initial term of the Regulatory Agreement to July 16, 2029.

Section 3. This resolution shall take effect immediately upon its passage.

**Attachment A: CalBioGas Buttonwillow III LLC's Letter Requesting Waiver
(October 10, 2025)**

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October 10, 2025

To Whom It May Concern,

California Bioenergy LLC and CalBioGas Buttonwillow III LLC have greatly appreciated the continued support from the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Sales and Use Tax Exclusion (STE) program and its dedicated staff. The program remains essential to the financial viability of our capital-intensive projects.

The CAEATFA Board approved our STE on July 16, 2024, for the purchase of **up to \$9,796,303 in Qualified Property**. We are aware of the requirement to purchase or execute purchase orders of at least 15% of the total Qualified Property within 18 months of Board approval. **To date, we have reported \$202,172 in Qualified Property purchases**. As such, we have **until January 16, 2026, to purchase at least \$1,469,445.45 in Qualified Property**.

Due to the early development stage of these projects, we were unable to advance into the procurement and construction phases to initiate equipment purchases within the original period of performance, which resulted in lower-than-anticipated expenditures to date. Specifically, early negotiations and agreements between multiple stakeholders took longer than initially anticipated and early designs required additional evaluation of technical and operational feasibility due to onsite challenges.

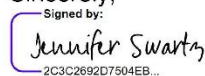
With critical planning and preparatory activities in advanced stages, we are well positioned to begin qualified property purchases. Specifically, we have made key design decisions, achieved stakeholder alignment, and have improved our procurement readiness (quotes, vendor selections, contracts, etc.). In addition, one of our projects suffered a catastrophic fire and will require additional equipment (within same initial scope). Based on the project's momentum, the extended timeline below will allow more than enough time to fully utilize our STE.

CalBioGas Buttonwillow III LLC would like to request an **18-month extension** of the 01/16/2026 deadline to spend at least \$1,469,445.45, which would make that now due by July 2027. In addition, we would like to request an extension of the initial term, which is currently set to expire July 16, 2027. We kindly request a **24-month extension**, which would make the new initial term expiration July 16, 2029.

The extension times are based on previous CalBio extension requests. We anticipate the bulk of qualified purchases will occur between approximately 2026 and 2027.

Thank you for your time and consideration; we are grateful for your continued support. Please let me know if you have any questions or need additional information.

Sincerely,

Signed by:

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Jennifer Swartz
Vice President, Treasury and Culture

Attachment B: CalBioGas Buttonwillow III LLC’s Staff Summary at the Time of Approval

The original award staff summary can be found on the [CAEATFA website](#).

Agenda Item – 4.A.12
Resolution No. 24-SM019-01

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Request to Approve Project for a Sales and Use Tax Exclusion¹

**CalBioGas Buttonwillow III LLC
Application No. 24-SM019**

Tuesday, July 16, 2024

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant – CalBioGas Buttonwillow III LLC

Location – Wasco, Kern County

Industry – Dairy Biogas

Project – New Dairy Biogas Facility (Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$9,796,303	\$826,808

Estimated Net Benefit ³	Dollar Value	Points Earned ⁴
Estimated Fiscal Benefits	\$1,239,519	1,499
Estimated Environmental Benefits	\$570,947	691
Additional Benefits	N/A	155
Total	\$1,810,466	2,345
Estimated Quantifiable Net Benefit	\$983,657	

Competitive Criteria Score – 165

Staff Recommendation – Approval

¹ All capitalized terms not defined in this document are defined in the STE Program’s statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate of 8.44%.

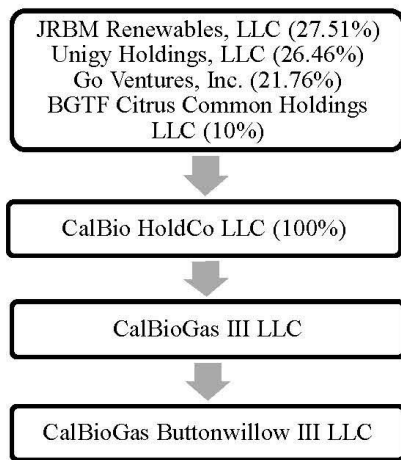
³ Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval. (California Code of Regulations Title 4, Division 13, Section 10033(e)(6).)

⁴ Dollar values and point values in the staff summary may not add up correctly due to rounding in the Application worksheet.

THE APPLICANT

CalBioGas Buttonwillow III LLC (the “Applicant”) is a California limited liability company that formed in 2022. The Applicant is a new dairy biogas facility headquartered in Visalia that will process biogas into biomethane and sell it to distributors as renewable vehicle fuel (R-CNG). The Applicant is able to obtain its manure digester feedstock through its relationship with California dairy farmers.

The ownership structure of the Applicant is as follows:



The company officers of the Applicant are:

N. Ross Buckenham, CEO
David DeGroot, COO
Abdulla Kagalwalla, CFO

THE PROJECT

The Applicant is requesting an STE award to build a new dairy biogas operation consisting of two modern dairies located in Wasco (the “Project”). According to the Applicant, it will process biogas into renewable natural gas (RNG) and sell it directly or indirectly as a renewable vehicle fuel known as R-CNG, which can be substituted for diesel in a near zero emission CNG truck or bus engine and can reduce NOx emissions by 90% when compared to the standard diesel fuel engine. The Applicant states individual dairies export their biogas from their dairy digester through a small conditioning plant, compressor station and meter out to a collection or a gathering line system that collects the gas from neighboring dairies. The collection system then delivers the biogas to a centralized upgrading plant for processing into a clean biomethane product. When the renewable gas is delivered to a refinery for incorporation into gasoline or sent to a CNG fueling station for use as a compressed natural gas vehicle fuel, it will generate a Low Carbon Fuel Standard credit. The R-CNG will also generate a cellulosic Federal Renewable Fuel Standard Identification Number, category D3 (D3-RIN).



Figure 1: Process to Convert Dairy Biogas into R-CNG

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Digester Equipment	\$2,348,909
Dairy H2S Treatment Plant	\$2,029,378
Gas Gathering Line System	\$5,418,016
Total	\$9,796,303

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. At the termination of the Regulatory Agreement, a finalized Project equipment list will be prepared detailing the value of the Project equipment actually acquired, and the estimated tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components of the Project over original estimates, and other reasons. In addition, those costs may vary after closing due to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in statute or regulation, or for other reasons.

TIMELINE

According to the Applicant, it has started ordering Qualified Property and has entered into the design and engineering phase as of July 2024. The Applicant expects final Project completion by June 2025.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

According to the Applicant, the first dairy cluster, Faial Farms, is pending approval for the CEQA air, water, and building permits. The second dairy cluster, Oasis Dairy, has acquired the planning/CEQA permits and is pending approval of the air, water, and building permits.

COMPETITIVE CRITERIA SCORE

The Applicant received 165 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Applicant has a Project that produces an Alternative Source product, component, or system, and, therefore, 100 points are awarded.
2. **Unemployment (50 of 50 points)**. The Applicant's Project is located in Kern County, which has an average annual unemployment rate of 8%.⁵ When compared to the statewide average annual unemployment rate of 4.6%, the Project location earned the Applicant 50 points.
3. **Job Creation (0 of 75 points)**. The Applicant anticipates the Project will support a total of three production-related jobs at its Facility. CAEATFA estimates that approximately 0.29 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
4. **California Headquarters (15 of 15 points)**. The Applicant has a California Corporate Headquarters, and, therefore, 15 points are awarded.
5. **Natural Disaster Relief (0 of 50 points)**. The Project is not to rebuild or relocate the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclaimed by the Governor within two years of the time of application, and, therefore, zero points are awarded.
6. **Eligibility for Manufacturing and Research and Development Equipment Exemption (0 of 50 points)**. The Applicant is eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, and, therefore, zero points are awarded.
7. **Emerging Strategic Industry (0 of 75 points)**. The Project's industry is not in an Emerging Strategic Industry, and, therefore, zero points are awarded.

PROJECT EVALUATION

PROJECT BENEFITS

The Project received a Total Score of 2,345 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 691 points, which exceeds the 20-point threshold.

⁵ Unemployment rates are based on data available in December 2023.

Agenda Item – 4.B.8
Resolution No. 24-SM019-02

Agenda Item – 4.A.12
Resolution No. 24-SM019-01

- A. **Fiscal Benefits (1,499 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales and use taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes, and other indirect fiscal benefits of the Applicant. The total fiscal benefits amount to \$1,239,519, resulting in a Fiscal Benefits score of 1,499.
- B. **Environmental Benefits (691 points)**. The Project is anticipated to result in \$570,947 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 691 points. These benefits derive from the production of dairy biogas, which offsets the need for the use of fossil methane.
- C. **Additional Benefits (155 points)**. Applicants may earn additional points for their Total Score. The Applicant received 155 additional points.
1. **Production Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of three production-related jobs at its Facility. CAEATFA estimates that approximately 0.29 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
 2. **Construction Jobs (55 of 75 points)**. The Applicant anticipates the Project will support a total of 72 construction jobs at its Facility. CAEATFA estimates that approximately 6.98 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 55 points.
 3. **Unemployment (50 of 50 points)**. The Applicant's Project is located in Kern County, which has an average annual unemployment rate of 8%. When compared to the statewide average annual unemployment rate of 4.6%, the Project location earned the Applicant 50 points.
 4. **Workforce Partnerships (25 of 25 points)**. The Applicant has a partnership with College of the Sequoias and Fresno State University for the purpose of assisting in the training of potential future workers.
 5. **Benefits and Fringe Benefits (25 of 25 points)**. The Applicant states it provides medical, health, dental and vision benefits, bonuses, retirement contributions, education reimbursement and paid leave to its employees, earning the Applicant 25 points.

LEGAL QUESTIONNAIRE

Staff reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of this Applicant.

Agenda Item – 4.B.8
Resolution No. 24-SM019-02

Agenda Item – 4.A.12
Resolution No. 24-SM019-01

CAEATFA FEES

In accordance with CAEATFA regulations,⁶ the Applicant has paid CAEATFA an Application Fee of \$6,248.15 and will pay CAEATFA an Administrative Fee up to \$39,185.21.

RECOMMENDATION

Staff recommends the approval of Resolution No. 24-SM019-01 for CalBioGas Buttonwillow III LLC's purchase of qualifying tangible personal property in an amount not to exceed \$9,796,303, anticipated to result in an approximate STE value of \$826,808.

⁶ California Code of Regulations Title 4, Division 13, Section 10036

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH CALBIOGAS BUTTONWILLOW III LLC**

July 16, 2024

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **CalBioGas Buttonwillow III LLC** (the “Applicant”) for financial assistance under the Sales and Use Tax Exclusion Program, as established in Public Resources Code Section 26011.8; and

WHEREAS, the Applicant qualifies as a Participating Party under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8; and

WHEREAS, the Applicant’s qualifying tangible personal property meets the requirements of a Project under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8 (the “Project”); and

WHEREAS, after the Authority approves an Application, the Authority enters into a Regulatory Agreement, as described in Authority Regulations Section 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$9,796,303 over a period of three (3) years; and

WHEREAS, the Applicant asserts that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Project pursuant to Revenue and Taxation Code Section 6010.8; and

WHEREAS, the approval of the terms of the Regulatory Agreement and authority for the Executive Director or Chair of the Authority to execute the necessary documents to effectuate the Regulatory Agreement is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The Regulatory Agreement constitutes financial assistance within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a participating party within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director or Chair of the Authority (the “Authorized Signatories”) are hereby authorized for and on behalf of the Authority to approve any changes to the Project as the Authorized Signatories deem appropriate, provided that the amount of the

Agenda Item – 4.B.8
Resolution No. 24-SM019-02

Agenda Item – 4.A.12
Resolution No. 24-SM019-01

qualifying tangible personal property to be purchased for the Project may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Regulatory Agreement between the Applicant and the Authority, as filed with the Authority prior to this public meeting, is hereby approved. For, on behalf and in the name of the Authority, the Authorized Signatories are hereby authorized and directed to execute, acknowledge, and deliver to the Applicant the Regulatory Agreement in substantially the form filed with or approved by the Authority.

The Regulatory Agreement may contain insertions, deletions or changes as the Authorized Signatories executing the Regulatory Agreement may require or approve, including particular information inserted in substantial conformance with the staff summary and in the Application to the Authority. The approval of the Regulatory Agreement will be conclusively evidenced by the execution and delivery of the final Regulatory Agreement.

The Authority understands and agrees that, pursuant to the terms of the Regulatory Agreement, the obligations of the Applicant, under some circumstances, may be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including, without limitation, the execution and delivery of any and all documents and certificates they may deem necessary or advisable to consummate the Regulatory Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall ensure that all of the qualifying tangible personal property acquired as part of the Project that is listed in the semi-annual reports provided to the Authority pursuant to the Regulatory Agreement will be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Regulatory Agreement shall only apply to qualifying tangible personal property acquired as part of the Project that the Applicant certifies will be installed, maintained, and operated at facilities physically located within the State of California.

Section 9. Neither the adoption by the Authority of this Resolution for the Applicant nor the Regulatory Agreement may be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project and may not be referred to in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement is not executed within thirty (30) days of the date of this Resolution. The Executive Director may extend the thirty (30) days if necessary.