

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

*Request to Approve a Time Extension for the
Initial Term of the Regulatory Agreement¹*

**Rocket Lab USA, Inc.
Application No. 21-SM011**

Tuesday, February 20, 2024

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant – Rocket Lab USA, Inc.

Location – Long Beach, Los Angeles County

Industry – Aerospace Manufacturing

Project – New Small Satellite and Reaction Wheel Manufacturing Facility

Total Amount Qualified Property Approved – \$6,443,921

Estimated Sales and Use Tax Exclusion Amount at Approval² – \$547,733

Amount of Time Requested –

- Requesting a one (1)-year, nine (9)-month, and fifteen (15)-day extension, until December 31, 2025, for the Initial Term of the Regulatory Agreement (a total of four (4) years, nine (9) months, and fifteen (15) days from the date of initial CAEATFA Board approval of March 16, 2021)

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 of 8.5%.

REQUEST

On March 16, 2021, the CAEATFA Board approved a Sales and Use Tax Exclusion (“STE”) award for Rocket Lab USA, Inc. (the “Applicant”) for the purchase of up to \$6,443,921 in Qualified Property to build a new small-satellite and reaction wheel manufacturing facility located in Long Beach (the “Project”). The Regulatory Agreement (“Agreement”) initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.³

As of June 2023, the Applicant has used the STE award to purchase approximately \$1,851,000 of Qualified Property (29% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement initial term by one (1) year, nine (9) months, and fifteen (15) days to accommodate the delays in the development of their California-based space facilities.

According to the Applicant, there has been a delay in the company’s purchasing timeline due to changes in the development of the Applicant’s California-based space businesses. The Applicant states they had spent the last several months acquiring the majority assets of Virgin Orbit and are in the process of refitting Virgin Orbit’s 140,000 square-foot Long Beach facility into satellite manufacture production. The Applicant states they have established a new purchasing timeline based on the design and launch schedule of their new, medium-lift rocket and delivery and investment requirements for their existing and expected satellite contracts.

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.⁴

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

THE APPLICANT

Rocket Lab USA, Inc. (the “Applicant”), is a Delaware corporation that formed in 2013. The Applicant’s first development was a small space-launch vehicle called Electron, and the Applicant is currently investing to develop its own satellite bus platform called Photon. The Applicant has also recently acquired Sinclair Interplanetary, a supplier for reaction wheel assembly and star trackers.

The Applicant received an income tax credit under the California Competes Tax Credit Program⁵ administered by the Governor’s Office of Business and Economic Development on November 12, 2019.

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

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

⁵ California Code of Regulations, Title 10, Chapter 13, Article 1 (commencing with Section 8000).

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

The major shareholders (10.0% or greater) of the Applicant are:

- Khosla Ventures (16%)
- Bessemer Ventures (12%)
- Peter Beck (11%)

The corporate officers of the Applicant are:

- Peter Beck, Founder and Chief Executive Officer
- Adam Spice, Chief Financial Officer
- Arjun Kampani, Senior Vice President, General Counsel & Corporate Secretary

THE PROJECT

Rocket Lab USA, Inc., is requesting an STE award to build a new small-satellite and reaction wheel manufacturing facility located in Long Beach (the “Project”). According to the Applicant, satellite component production, such as reaction wheel assembly, has historically been a niche market, and is generally a hands-on process with lead times beyond nine months. Due to the growing demand of the market, the Applicant states it intends on deploying a process that will allow it to mass-produce satellite components. The Applicant states it will be able to produce an average of nine satellites and 2,600 reaction wheels per year with the requested Qualified Property.

The Applicant states the Project will integrate business models, such as lean manufacturing and 5S workplace principles, to increase productivity while driving costs down. For example, because reaction wheel design and assembly were previously completed by third-party firms located outside the United States, the Applicant often faced scheduling risks and incurred additional costs. The Applicant represents the Project will enable it to produce the mechanical framework of its reaction wheels in-house. Moreover, the Applicant states it will control costs by utilizing 3-D printing to produce satellite subcomponents, such as its rocket propulsion systems, and reduce toxic substances, such as lead, from production by removing tin whiskers at the subcomponent level of its fabrication process.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from March 16, 2024, to December 31, 2025, in order to accommodate delays in the development of their California-based space businesses.

Staff Evaluation

Staff has reviewed the Applicant’s extension request and has taken into consideration that the reason for the delays are reasonable and is necessary for the Applicant to expand their manufacturing businesses in California. The Applicant was unable to meet the purchasing requirement due to the fact the Company was involved in the acquisition of Virgin Orbit’s assets. Since the acquisition has been completed, and the Applicant had opened a new engine development manufacturing facility at the previous Virgin Orbit’s Long Beach location, there seems to be logical sense for the Project to move forward. The Applicant states the scope of the project has not changed, and they are confident of meeting the new purchasing timeline as the obstacles have now been overcome.

Based on this information, Staff 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 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.

CAEATFA FEES

In accordance with STE Program regulations,⁶ the Applicant has paid an additional fee of \$2,000 because extending the initial term qualifies as a modification to the Applicant’s Agreement.

RECOMMENDATION

Staff recommends that the Board approve the Applicant’s request to extend the initial term of the Agreement by one (1) year, nine (9) months, and fifteen (15) days to December 31, 2025, as it is in the public interest and advances the purposes of the STE Program.

Attachments

- Attachment A: Rocket Lab USA, Inc.’s letter requesting waiver (November 30, 2023)
- Attachment B: Rocket Lab USA, Inc.’s staff summary at the time of approval

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

**RESOLUTION APPROVING A TIME EXTENSION FOR
ROCKET LAB USA, INC.’S INITIAL TERM FOR
THE REGULATORY AGREEMENT**

February 20, 2024

WHEREAS, on March 16, 2021, 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 \$6,443,921 of Qualified Property for **Rocket Lab USA, Inc.** (the “Applicant”); 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/by March 16, 2024, due to unexpected delays in the Project timeline, extending the term by one (1) year, nine (9) months, and fifteen (15) days to December 31, 2025; and

WHEREAS, granting the waiver will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial 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 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 December 31, 2025.

Section 2. This resolution shall take effect immediately upon its passage.

Attachment A: Rocket Lab USA, Inc.’s Letter

Requesting Waiver (November 30, 2023)



Rocket Lab USA, Inc.
3881 McGowen Street
Long Beach
California 90808, USA

P. +1 (714) 465 5737
rocketlabusa.com

November 30, 2023

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)
901 P Street
Sacramento, CA 95814

Subject: Request for Extension of Sales and Use Tax Exclusion Period

To Whom It May Concern,

I am writing on behalf of Rocket Lab USA, Inc. (the "Company"), which was granted approval for a sales and use tax exclusion by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Board on March 16, 2021. As per CAEATFA's records and our internal accounting, the Company has utilized \$1,851,119 of the approved \$6,443,921 for Qualified Property purchases, amounting to 29% of the total approved amount as of June 30, 2023.

Due to delay in the development of our California-based space businesses, the Company finds it necessary to request an extension beyond the initial term expiry date of March 16, 2024, to fulfill the Purchase Requirement. During the last several months we have initiated satellite manufacture in Long Beach, and have acquired the majority of the assets of Virgin Orbit and have begun re-fitting their 140,000 sq ft facility into our engine design and manufacturing operation. We are committed to meeting our obligations and propose an extended deadline of **December 31, 2025**, by which time we are confident that the remainder of the Qualified Property will be purchased. This schedule is based on the design and launch schedule of our new, medium-lift rocket and delivery and investment requirements for existing and expected satellite contracts.

Update as of January 2, 2024: The timing of purchases, and the specific qualified property purchases in our project scope is at our discretion, and can include, but is not limited to, the itemization provided in Exhibit B of the Regulatory Agreement dated April 13, 2021. However, to fulfill the Purchase Requirement, we propose an extension of the purchasing deadline as per the Regulatory Agreement, to provide a remaining purchase timeline from July 1, 2023, to December 31, 2025. There has been no change to the project scope. The project scope continues to encompass all aspects of our satellite business, including satellite parts and components and purchases related to the manufacturing of satellite parts and components. We recently have experienced notable traction of our overall space, including satellite, business. In October 2023 we opened a new engine development manufacturing facility obtained through the acquired Virgin Orbit lease in Long Beach (for launch of satellites), and in Dec 2023 we executed a new agreement with a United States government customer having a total value of \$515 million. This significant contract includes operation of satellites.

Enclosed with this letter, you will find an updated Legal Status Questionnaire and the updated Company ownership information. A check for \$2,000 is included for payment of the administrative fee.

**Agenda Item – 4.A.4
Resolution No. 21-SM011-01**



Rocket Lab USA, Inc.
3881 McGowen Street
Long Beach
California 90808, USA

P. +1 (714) 465 5737
rocketlabusa.com

If there are any questions or further information required, please do not hesitate to contact me at 714 856-8601.

Thank you for considering this request. We look forward to your positive response and continued partnership with CAEATFA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Poteracki'.

Scott Poteracki

**Corporate Controller
Rocket Lab USA, Inc.**

Enclosures: Legal Status Questionnaire, Updated Company Ownership Information

**Attachment B: Rocket Lab USA, Inc.’s Staff Summary
at the Time of Approval**

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

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Resolution No. 21-SM011
Application No. 21-SM011**

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Rocket Lab USA, Inc.
Application No. 21-SM011**

Tuesday, March 16, 2021

Prepared By: *Xee Moua, Program Analyst*

SUMMARY

Applicant – Rocket Lab USA, Inc.

Location – Long Beach, Los Angeles County

Industry – Aerospace Manufacturing

Project –New Small Satellite and Reaction Wheel Manufacturing Facility
(Advanced Manufacturing)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$6,443,921	\$547,733

Estimated Net Benefit ³	Dollar Value	Points Earned ⁴
Estimated Fiscal Benefits	\$2,213,498	4,041
Estimated Environmental Benefits	N/A	30
Additional Benefits	N/A	148
Total	\$2,213,498	4,220
Estimated Quantifiable Net Benefit	\$1,665,765	

Competitive Criteria Score – 88

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 8.5%.

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(c)(6).)

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

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**Agenda Item – 4.G.11
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THE APPLICANT

Rocket Lab USA, Inc. (the “Applicant”), is a Delaware corporation that formed in 2013. The Applicant’s first development was a small space-launch vehicle called Electron, and the Applicant is currently investing to develop its own satellite bus platform called Photon. The Applicant has also recently acquired Sinclair Interplanetary, a supplier for reaction wheel assembly and star trackers.

The Applicant received an income tax credit under the California Competes Tax Credit Program⁵ administered by the Governor’s Office of Business and Economic Development on November 12, 2019.

The major shareholders (10.0% or greater) of the Applicant are:

- Khosla Ventures (28.4%)
- Bessemer Ventures (20.1%)
- Peter Beck (14.19%)
- Future Fund Investment (10.4%)

The corporate officers of the Applicant are:

- Peter Beck, Founder and Chief Executive Officer
- Adam Spice, Chief Financial Officer
- Shaun O’Donnell, Chief Operating Officer

THE PROJECT

Rocket Lab USA, Inc., is requesting an STE award to build a new small-satellite and reaction wheel manufacturing facility located in Long Beach (the “Project”). According to the Applicant, satellite component production, such as reaction wheel assembly, has historically been a niche market, and is generally a hands-on process with lead times beyond nine months. Due to the growing demand of the market, the Applicant states it intends on deploying a process that will allow it to mass-produce satellite components. The Applicant states it will be able to produce an average of nine satellites and 2,600 reaction wheels per year with the requested Qualified Property.

The Applicant states the Project will integrate business models, such as lean manufacturing and 5S workplace principles, to increase productivity while driving costs down. For example, because reaction wheel design and assembly were previously completed by third-party firms located outside the United States, the Applicant often faced scheduling risks and incurred additional costs. The Applicant represents the Project will enable it to produce the mechanical framework of its reaction wheels in-house. Moreover, the Applicant states it will control costs by utilizing 3-D printing to produce satellite subcomponents, such as its rocket propulsion systems, and reduce toxic substances, such as lead, from production by removing tin whiskers at the subcomponent level of its fabrication process.

⁵ California Code of Regulations, Title 10, Chapter 13, Article 1 (commencing with Section 8000).

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ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Manufacturing Equipment	\$4,009,821
Testing Equipment	\$1,806,998
Inspection Tools and Equipment	\$14,112
Analytical Equipment	\$612,990
Total	\$6,443,921

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, the construction of the Project has started as of January 2021 and it expects the Qualified Property to be installed and facility upgrades to be completed by December 2021.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

Rocket Lab USA, Inc., represents all permits related to general contracting and facility improvements will be secured by the end of March 2021.

COMPETITIVE CRITERIA SCORE

In the event that the Applications received by CAEATFA requesting \$2 million or less in STE by the deadline for a particular Board meeting represent STE in excess of the \$20 million set-aside for that calendar year, the Applications submitted for that particular Board meeting will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked based on Competitive Criteria.

The Applicant received 88 Competitive Criteria points as follows:

- 1. Environmental Benefits (0 of 100 points).** The Applicant's Project did not earn any environmental benefits points, as calculated pursuant to the method for calculating points for environmental benefits for Advanced Transportation, Alternative Source,

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and Recycled Resource Extraction Applications in Section 10033(c)(4). Therefore, no points are awarded.

2. **Unemployment (28 of 50 points)**. The Applicant’s Project is located in Los Angeles County, which has an average annual unemployment rate of 11.6%.⁶ When compared to the statewide average annual unemployment rate of 9.1%, the Project location earned the Applicant 28 points.
3. **Job Creation (45 of 75 points)**. The Applicant anticipates the Project will support a total of 53 production-related jobs at its Facility. CAEATFA estimates that approximately 3.32 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 45 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.

PROJECT EVALUATION

PROJECT BENEFITS

The Project received a Total Score of 4,220 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 30 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (4,041 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 \$2,213,498, resulting in a Fiscal Benefits score of 4,041.

⁶ Unemployment rates are based on data available in October 2020.

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B. Environmental Benefits (30 points). The Project earned an Environmental Benefits Score of 30. The Applicant received points in the following categories:

1. **Energy Consumption (25 of 30 points).** The Applicant anticipates the Project will result in a 25% reduction in energy consumption compared to the industry standard manufacturing process by incorporating additive manufacturing and multifunctional and multitasking equipment.
2. **Other Pollutants (5 of 30 points).** The Applicant anticipates the Project will result in a 5% reduction in other pollutants produced relative to the Applicant's previous manufacturing process by changing its fabrication process to a lead-free process.

C. Additional Benefits (148 points). Applicants may earn additional points for their Total Score. The Applicant received 148 additional points.

1. **Production Jobs (45 of 75 points).** The Applicant anticipates the Project will support a total of 53 production-related jobs at its Facility. CAEATFA estimates that approximately 3.32 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 45 points.
2. **Construction Jobs (0 of 75 points).** The Applicant anticipates the Project will support a total of two construction jobs at its Facility. CAEATFA estimates that approximately 0.13 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.
3. **Unemployment (28 of 50 points).** The Applicant's Project is located in Los Angeles County, which has an average annual unemployment rate of 11.6%.⁷ When compared to the statewide average annual unemployment rate of 9.1%, the Project location earned the Applicant 28 points.
4. **Research and Development Facilities (25 of 25 points).** The Applicant has verified that it has a facility located in California that performs research and development functions related to aerospace manufacturing.
5. **Industry Cluster (25 of 25 points).** The industry associated with this Application has been identified by the Los Angeles Economic Development Corporation as an industry cluster of the region of the Project's location.
6. **Benefits and Fringe Benefits (25 of 25 Points).** The Applicant states it provides medical, health, dental, vision, bonuses, retirement contributions,

⁷ Unemployment rates are based on data available in October 2020.

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gym subsidies, employee discounts, 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.

CAEATFA FEES

In accordance with CAEATFA Regulations,⁸ the Applicant has paid CAEATFA an Application Fee of \$3,221.96, and will pay CAEATFA an Administrative Fee of up to \$25,775.68.

RECOMMENDATION

Staff recommends the approval of Resolution No. 21-SM011 for Rocket Lab USA, Inc.’s purchase of qualifying tangible personal property in an amount not to exceed \$6,443,921, anticipated to result in an approximate STE value of \$547,733.

⁸ California Code of Regulations Title 4, Division 13, Section 10036

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**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH ROCKET LAB USA, INC.**

March 16, 2021

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Rocket Lab USA, Inc.** (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 10030(a), with the Applicant for the Project; and

WHEREAS, the Applicant has estimated the Project has an estimated cost not to exceed \$6,443,921 over a period of three 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

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the Project as the Authorized Signatories deem appropriate, provided that the amount of the 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.