

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

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

**Faraday&Future Inc.
Application No. 18-SM008**

Tuesday, March 16, 2021

Prepared By: *Xee Moua, Program Analyst*

SUMMARY

Applicant – Faraday&Future Inc.

Location – Hanford, Kings County; Gardena, Los Angeles County

Industry – Electric Vehicle Manufacturing

Project – New Electric Vehicle Manufacturing Facility (Advanced Transportation)

Total Amount Qualified Property Approved– \$239,234,449

Estimated Sales and Use Tax Exclusion Amount at Approval² – \$20,000,000

Amount of Time Requested –

- Two years, until April 17, 2023, 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 of 8.36% at the time of approval.

REQUEST

On April 17, 2018, the CAEATFA Board approved a sales and use tax exclusion (“STE”) award for Faraday Future Inc. (“Faraday Future”) for the purchase of up to \$239,234,449 in Qualified Property to upgrade its existing facilities in Compton and Gardena to facilitate the research, design, and prototype testing of its first high-performance electric vehicle, the FF91, and to construct a facility in Hanford that would manufacture its vehicles (the “Project”). The Regulatory Agreement’s (“Agreement”) initial term provided the Applicant with three years from the date of Board Approval to utilize its STE award. 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 program.³

As of February 2021, Faraday Future has used the STE to purchase approximately \$160.4 million of Qualified Property (67% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement’s initial term by two years to accommodate the effects of the COVID-19 pandemic and delays in securing funding for the Project.

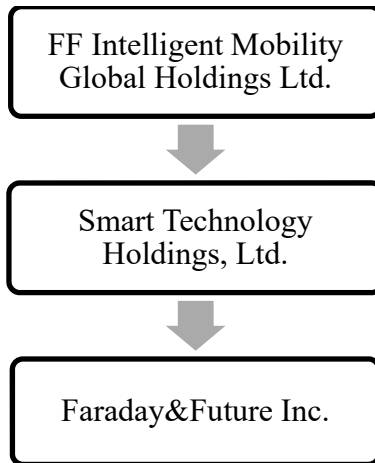
Faraday Future reports that it has been unable to continue renovating its Hanford facility, pay previously incurred debts, and hire additional employees after an investor unexpectedly withdrew from the Project. Faraday Future states the personal bankruptcy filing of its founder also prolonged its financial hardship. Faraday Future states that, while its founder’s debt was independent of Faraday Future’s success, investors took a wait-and-see approach to ensure there were no negative contingencies before committing to investing in Faraday Future. However, following the onset of the COVID-19 pandemic, Faraday Future states that previously interested lenders became dissuaded due to a decline within the international capital markets. Faraday Future reports that the Project’s product development was also affected due to the state’s quarantine orders and health-restricted guidelines that limited work capacity.

At the end of January 2021, Faraday Future shared the news of its merger with Property Solutions Acquisition Corp. (“PSAC”) and its plans to go public on the NASDAQ under the ticker symbol “FFIE.” According to Faraday Future, the merger will provide Faraday Future with approximately \$1 billion of gross proceeds, including a \$230 million trust held by PSAC, assuming no redemptions, and \$775 million for common stock through private investment in public equity (“PIPE”) at \$10 a share. Faraday Future states the merger will allow the buildout of its Hanford facility, product development, supply chain engagement, permitting, and the installation of Qualified Purchases to resume. Faraday Future states the agreement with PSAC will close in Quarter 2 of 2021, enabling all Project activities to be completed within 18 months thereafter.

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

THE APPLICANT

The major shareholders (10.0% or greater) of Faraday&Future Inc. are:



The corporate officers of Faraday&Future Inc. are:

Carsten Breitfeld, Chief Executive Officer
Yueting Jia, Founder & Chief Product and User-Eco Officer
Jerry Wang, Vice President
Jarret Johnson, Secretary

THE PROJECT

Faraday Future received an STE award to upgrade its facilities in Compton and Gardena to facilitate the research, design and prototype testing and assembly of the FF91 and to construct a facility in Hanford that will manufacture its vehicles. In February 2021, Faraday Future vacated the Compton facility and states it will split the prototype testing and assembly activities between the Gardena and Hanford facilities. Faraday Future states that as production expands to full capacity, approximately 1,100 annual full-time equivalent employees will be employed at these locations.

The FF91 is built on Faraday Future’s Variable Platform Architecture, a powertrain that enables vehicles to be produced efficiently. Faraday Future states that the adaptable design of the FF91 enables the chassis to be extended and contracted depending on the vehicle’s requirements, allowing the vehicle to store an adjustable number of batteries by arranging them in “strings.” The removal or addition of battery strings will adjust the vehicle’s weight, energy efficiency, and distance travelled from one charge. Faraday Future explains that the 130kWH battery will have a range of up to 378 miles per charge and can charge the battery life to 80% in less than 30 minutes with DC charging. In comparison to other vehicles in its class, the FF91 has 1,050 horsepower and allows drivers to travel from zero to 60 mph in 2.39 seconds while sitting in NASA-inspired zero-gravity seats. Moreover, Faraday Future states the FF91 offers several luxury features, including driverless valet parking, highway auto drive, and fiber-speed mobile internet. The flagship FF91 is expected to debut in 2022.

AGREEMENT INITIAL TERM EXTENSION REQUEST

Faraday Future has requested that the initial term of the Agreement be extended from April 17, 2021, to April 17, 2023, in order to accommodate the effects of the COVID-19 pandemic and delays in securing funding for the Project.

Staff Evaluation

In making its recommendation, Staff notes that Faraday Future’s primary cause for delay was its inability to secure funding, which Faraday Future explains will be remedied with its merger with PSAC, which is anticipated to close in Quarter 2 of 2021. According to Faraday Future, the area of the plant used to assemble pre-production vehicles is fully functional, and all that remains to be built out is the area used for larger-scale paint, body, assembly, and testing. Faraday Future states it has announced plans to deliver its first vehicle nine months after funding from the merger is received, and that production and retail sales delivery are expected to begin 12 months after the business consolidation. Furthermore, ramp-up and major project activities will be completed within 18 months of the business consolidation.

Staff also recognizes the limitations stemming from the COVID-19 pandemic. Despite the challenges, Faraday Future states there are approximately 200 employees currently on the payroll, which is slightly above the 180 employee head count reported to the CAEATFA Board in September 2020.

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 program.

LEGAL QUESTIONNAIRE

Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. The Executive Director, in consultation with legal counsel, has determined that the legal issues disclosed do not affect the financial viability or legal integrity of the Applicant.

CAEATFA FEES

In accordance with STE Program Regulations,⁴ the Applicant has paid an additional fee of \$2,000 because extending the initial term qualifies as a modification to the Applicant’s Regulatory Agreement to waive the three-year initial term.

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

RECOMMENDATION

Staff recommends that the Board approve Faraday&Future Inc.’s request to extend the initial term of the Agreement by two years to April 17, 2023, as it is in the public interest and advances the purposes of the program.

Attachments

Attachment A: Faraday&Future Inc.’s letter requesting waiver (February 1, 2021)

Attachment B: Faraday&Future Inc.’s staff summary at the time of approval

**RESOLUTION APPROVING A TIME EXTENSION FOR
FARADAY&FUTURE INC.’S INITIAL TERM FOR
THE REGULATORY AGREEMENT**

March 16, 2021

WHEREAS, on April 17, 2018, 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 \$239,234,449 of Qualified Property for **Faraday&Future Inc.** (the “Applicant”); and

WHEREAS, within three 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 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 years, due to unexpected delays in the Project timeline, extending the term by two years to April 17, 2023; 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 initial term of the Regulatory Agreement to April 17, 2023.

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

Attachment A: Faraday&Future Inc.'s Letter Requesting Waiver (February 1, 2021)



February 1, 2021

CAEATFA
915 Capitol Mall Room 538
Sacramento, CA 95814

CAEATFA Board and Administrators,

On April 17, 2018, the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Board approved Faraday&Future Inc. (the "Company" or "FF") for a sales and use tax exclusion ("STE") for the purchase of up to \$239,234,449 in Qualified Property. Per program regulation section 10035(b)(1)(B), FF is herewith requesting a 24-month extension to the initial term of the April 17, 2018 CAEATFA Agreement until April 16, 2023.

FF reported \$160,420,502 in Qualified Property purchases as of July 2020 (which is 67% of the total Qualified Property amount approved), and we do not anticipate purchasing the remaining needed equipment to fully utilize the STE by April 17, 2021. The scope of FF's original project remains the same – the design and launch of the FF 91, FF's flagship and initial electric vehicle, from the Company's manufacturing facility in Hanford, California.

The Company requires the requested extension to restart the buildout of the Hanford manufacturing facility, purchase additional manufacturing equipment, finalize product design, and complete testing, validation and permitting of the FF 91. The completion of this work is anticipated to take eighteen (18) months from the Company's receipt of sufficient funding, which is anticipated in Q2 2021 (see discussion below). Based on the foregoing, the Company anticipates that the purchase of the remaining Qualified Property and the buildout and finalization of the manufacturing process for the FF 91 will occur by the requested new deadline of April 16, 2023.

Unanticipated delays prevented the Company from purchasing the necessary Qualified Property to date. These delays include financial hardships due to the unexpected withdrawal of funding from an investor, and the resulting efforts to replace such funds, and the subsequent challenges brought on by the COVID-19 global pandemic. The unexpected withdrawal of promised funding by a major investor led to the Company's inability to pay suppliers and other debtors, the furloughing and layoff of certain Company employees, and wholesale cutbacks on spending and product development. The negative impact of the COVID-19 global pandemic was twofold, first on the international capital markets and the Company's ability to raise needed capital; and second, on the Company's product development due to the health-related restrictions on the workplace, including stay-at-home orders.

The Company will be able to complete product design, manufacturing plant preparation, supply chain mobilization, permitting, and all other phases of launching an electric vehicle manufacturing company in California as a result of securing the necessary

funding. On January 28, 2021, FF announced a merger with Property Solutions Acquisition Corporation (PSAC), which is estimated to provide an estimated \$1 billion in gross proceeds to FF. Following the closing, which is anticipated Q2 2021, the combined company will be publicly traded on the NASDAQ stock exchange. The January 28 joint press release (which can be found at ff.com/us/investors) detailed the financial transaction, which will provide FF the resources needed to launch FF 91 twelve months after closing the merger, with production refinement achieved thereafter.

FF is grateful for the CAEATFA award provided by your Board. This award continues to factor greatly on our ability to manufacture our class-defining tech-luxury intelligent Internet electric vehicle brand in California. Your support of the requested extension will help ensure the success of the Company and the production of a California-made EV to help achieve global climate change.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carsten Breitfeld', with a long horizontal flourish extending to the right.

Dr. Carsten Breitfeld
CEO

Attachment B: Faraday&Future 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. 18-SM008
Application No. 18-SM008

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

Request to Approve Project for Sales and Use Tax Exclusion (STE)¹

Faraday&Future Inc.
Application No. 18-SM008

Tuesday, April 17, 2018

Prepared By: Xee Moua, Program Analyst

SUMMARY

Applicant – Faraday&Future Inc.

Location – Hanford, Kings County; Compton, Los Angeles County; Gardena, Los Angeles County

Industry – Electric Vehicle Manufacturing

Project – New Electric Vehicle Manufacturing Facility (Advanced Transportation)

Currently Recommended for Approval	Total Project
Value of Qualified Property – \$239,234,449	Value of Qualified Property – \$250,000,000
Estimated STE Amount ² – \$20,000,000	Estimated STE Amount – \$20,900,000
Estimated Quantifiable Net Benefits – \$19,039,568	Estimated Quantifiable Net Benefits – \$19,896,349

Application Score –

Fiscal Benefits Points:	1,902
<u>Environmental Benefits Points:</u>	<u>50</u>
Net Benefits Score:	1,952

<u>Additional Benefits Points:</u>	<u>91</u>
Total Score:	2,043

Staff Recommendation – Approval of an award for the purchase of up to \$239,234,449 in Qualified Property anticipated to result in an approximate sales and use tax exclusion of \$20,000,000, pursuant to the \$20 million in STE per Applicant cap.³

¹ All capitalized terms not defined in this document are defined in the Program's statute and regulations.

² This amount is calculated based on the current average statewide sales tax rate of 8.36%.

³ California Code of Regulations Title 4, Division 13, Section 10032(a)(4)

THE APPLICANT

Faraday&Future Inc. (“Faraday Future” or the “Applicant”), a California corporation, was founded in 2015, and has businesses located in Hanford, Compton and Gardena dedicated to developing, prototyping and producing high-performance electric vehicles. Faraday Future’s first model will be its flagship FF91 vehicle, with other models following in the years to come.

On April 14, 2016, Faraday Future was approved for a tax credit of \$12,725,000 under the California Competes Tax Credit Program.

The major shareholders (10.0% or greater) of Faraday&Future Inc. are:



The corporate officers of Faraday&Future Inc. are:

Jia Yueting, Chief Executive Officer
Nick Sampson, Senior Vice President of R&D/Engineering
Dag Reckhorn, Vice President of Global Manufacturing
Peter Savagian, Vice President of Propulsion Engineering

THE PROJECT

Faraday Future is requesting a sales and use tax exclusion to upgrade its existing facilities in Compton and Gardena to facilitate research, design, and prototype testing of its first high-performance electric vehicle, the FF91, and construct a facility in Hanford that will manufacture its vehicles (the “Project”). The Gardena facility primarily will be used to perform research and development, and the Compton facility is designated for the assembly and testing of the prototype vehicles. Faraday Future represents that as production expands to full capacity, approximately 1,100 annual full-time equivalent employees will be employed at these locations.

The FF91 is built on Faraday Future’s Variable Platform Architecture (VPA), a powertrain that enables vehicles to be produced efficiently. According to the Applicant, the FF91 is revolutionary in design and performance and has unrivaled technical specifications. Faraday Future represents that the adaptable design of the FF91 enables the chassis to be extended and contracted depending on the vehicle’s need allowing the vehicle to store an adjustable number of

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Resolution No. 18-SM008
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batteries by arranging them in “strings”. The removal or addition of battery strings will adjust the vehicle’s weight, energy efficiency, and distance travelled from one charge. The Applicant represents that the 130kWH battery will carry an industry leading range of 378 miles per charge and can charge the battery life to 80% in less than 30 minutes with DC charging. In comparison to other vehicles in its class, the FF91 has 1,050 horse power and allows drivers to travel from zero to 60 mph in 2.39 seconds while sitting in NASA inspired zero gravity seats. Moreover, as represented by Faraday Future, the FF91 offers several luxury features including driverless valet parking, highway auto drive, and fiber speed mobile internet. The flagship FF91 is expected to debut at the end of 2018.



ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases for the total Project are listed below:

Body and Seat Assembly Equipment	\$ 78,000,000
Logistics Supplies	15,500,000
Body Paint Equipment	27,000,000
Powertrain Equipment	16,000,000
Stamping/Pressing Equipment	7,000,000
Battery Production Equipment	20,000,000
Safety Equipment	2,500,000
Tooling Equipment	14,000,000
Engineering Multimedia	18,000,000
Design Equipment	7,750,000
Testing/Prototyping Equipment	8,000,000
Vehicle Assembly Line	18,500,000
Welding Equipment	5,250,000
Facility Improvements	12,500,000
Total	<u>\$250,000,000</u>

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. At the termination of the master regulatory agreement a finalized project equipment list will be prepared detailing the value of the Project equipment acquired and detailing the actual tax benefit realized pursuant to

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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, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation, or for other reasons.

TIMELINE

According to the Applicant, the Hanford facility will be committed to manufacturing the FF91 and possibly other more economical models after construction commences summer of 2018. The Applicant represents the installation of Qualified Property for the Compton facility and the Gardena facility will begin towards the end of 2018. Faraday Future anticipates the first FF91 vehicles will be produced towards the end of 2018, and that full production capacity will be reached in the next several years.

PROJECT EVALUATION

NET BENEFITS

The total cost of the Qualified Property purchases is anticipated to be \$250,000,000 and the total quantifiable net benefits are valued at \$19,896,349 for the Project. The Project received a Total Score of 2,043 points, which exceeds the required 1,000 point threshold, and a total Environmental Benefits Score of 50 points, which exceeds the 20 point threshold.

- A. **Fiscal Benefits (1,902 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes and other indirect fiscal benefits of the Applicant which amounts to \$39,742,774 resulting in a Fiscal Benefits score of 1,902 points for the Project.
- B. **Environmental Benefits (50 points)**. The Project will result in \$1,053,576 of total pollution benefits over the life of the Project resulting in an Environmental Benefits Score of 50 points for the Project. These benefits derive from the manufacturing of electric vehicles since these vehicles deliver a net reduction in energy consumption and CO2 emissions relative to a comparable gasoline powered vehicle.
- C. **Additional Benefits (91 points)**. Applicants may earn additional points for their Total Score. The Applicant submitted information and received 91 additional points.
 - 1. **Permanent Jobs (40 of 75 points)**. The Applicant represents that the Project will support a total of 1,100 permanent jobs at its Facility. CAEATFA estimates that approximately 75 of these jobs will be attributable to a marginal increase in jobs created due to the approved STE resulting in a Permanent Jobs Score of 40 points for the Project.

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2. **Construction Jobs (0 of 75 points).** The Applicant represents that the Project will support a total of 200 construction jobs at its Facility. CAEATFA estimates that approximately 14 of these jobs will be attributable to a marginal increase in jobs created due to the approved. Zero points were awarded because the marginal increase in jobs does not meet the required threshold.
3. **Unemployment (50 of 50 points).** The Applicant's Project is located in Hanford County which has an average annual unemployment rate of 9.6 %. This is above 110% of the statewide average annual unemployment rate which was 5.1% in 2017, the dataset used in the application. This results in an Unemployment Score of 50 points for this Project.
4. **Non-CA Environmental Benefits (1 of 40 points).** The Applicant's total value of out-of-state non-greenhouse gas pollution benefits are valued at \$42,995.03 resulting in a Non-CA Environmental Benefits Score of 1 point for the Project.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

Faraday Future has sought building, water, air and occupancy permits from the City of Hanford and San Joaquin Valley Air Pollution Control District for the Project. These permits are expected to be approved by the end of June 2018.

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,⁴ the Applicant has paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$350,000.

RECOMMENDATION

Staff recommends approval of Resolution No. 18-SM008 for Faraday&Future Inc.'s purchase of Qualified Property in an amount not to exceed \$239,234,449 anticipated to result in an approximate sales and use tax exclusion value of \$20,000,000.

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

Agenda Item – 4.F.1

Agenda Item – 4.A.2 Resolution No. 18-SM008 Application No. 18-SM008

Program regulations state that if any STE is available at the last Board meeting of the calendar year, the Board may provide additional STE to Applicants that qualified for additional STE but were capped at \$20 million in STE.⁵ Because the Applicant requested a total of \$250,000,000 in Qualified Property, if STE is available in December 2018 and Faraday Future is still interested in pursuing an additional award, Staff may then work with Faraday Future to bring an updated Application before the Board for consideration. If multiple Applicants request additional STE, beyond the \$20 million cap, the remaining STE from the \$100 million allocation will be split evenly amongst the Applicants.

⁵ California Code of Regulations Title 4, Division 13, Section 10032(a)(4)(A)

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A MASTER
REGULATORY AGREEMENT WITH FARADAY&FUTURE INC.**

April 17, 2018

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) has received the Application of Faraday&Future Inc. (the “Applicant”), for financial assistance in the form of a master regulatory agreement (the “Agreement”) regarding tangible personal property utilized in an Advanced Manufacturing process or for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems (“Qualified Property”) as more particularly described in the staff summary and in the Applicant’s Application to the Authority (collectively, the “Project”); and

WHEREAS, the Applicant has requested the Authority to enter into the Agreement to acquire Project equipment with an estimated cost not to exceed \$239,234,449 over a period of three years; and

WHEREAS, the Applicant believes 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 Qualified Property pursuant to California Revenue and Taxation Code Section 6010.8; and

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

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

Section 1. The Project constitutes a “project” within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The requested master 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, Deputy 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 Executive Director shall deem appropriate, provided that the amount of the Qualified Property to be purchased may not be increased above the amount approved by the Authority.

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Section 5. The proposed form of the Agreement between the Applicant and the Authority, as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Applicant the Agreement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Authorized Signatory executing the same may require or approve, and with particular information inserted therein in substantial conformance with the staff summary and in the Applicant's Application to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Agreement, the obligations of the Applicant may, under some circumstances, 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 in order to consummate the Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall assure CAEATFA that all Qualified Property listed in the semi-annual reports pursuant to the Agreement shall be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Agreement shall only apply to Qualified Property that the Applicant certifies will be installed, maintained and operated at facilities within the State of California.

Section 9. The adoption by the Authority of this Resolution for the Applicant shall not be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project or 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, as defined in CAEATFA Regulations Section 10035(a), is not executed within thirty (30) days of the date of this Resolution. The Executive Director may extend the thirty days if necessary.