

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

***Request to Approve a Time Extension for the  
Initial Term of the Regulatory Agreement<sup>1</sup>***

**California Safe Soil, LLC  
Application No. 16-SM006**

**Tuesday, January 18, 2022**

Prepared By: *Xee Moua, Program Analyst*

**SUMMARY**

**Applicant** – California Safe Soil, LLC

**Location** – McClellan, Sacramento County

**Industry** – Soil Amendment Manufacturing

**Project** – Construction of a New Organics Recycling and Soil Amendment Manufacturing  
(Advanced Manufacturing)

**Total Amount Qualified Property Approved**– \$3,750,000

**Estimated Sales and Use Tax Exclusion Amount at Approval<sup>2</sup>** – \$315,750

**Amount of Time Requested** –

- One year, until January 19, 2023, for the Initial Term of the Regulatory Agreement  
(seven years from the date of initial CAEATFA Board approval)

**Staff Recommendation** – Approval

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

<sup>2</sup> This amount is calculated based on the average statewide sales tax rate at the time of initial approval, which was 8.42%.

**REQUEST**

On January 19, 2016, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for California Safe Soil, LLC (the “Applicant”) for the purchase of up to \$3,750,000 in Qualified Property to build a commercial-scale organics recycling and soil amendment manufacturing facility (the “Project”). The Regulatory Agreement (“Agreement”) initial term provided the Applicant with three years from the date of Board Approval to utilize its STE award.<sup>3</sup>

On December 18, 2018, the CAEATFA Board approved the Applicant for a three-year extension of the initial term of the Agreement from its original termination date of January 19, 2019, to accommodate project timeline delays resulting from a slow market uptake.

As of November 2021, the Applicant has used the STE to purchase \$2,223,004 of Qualified Property (59% of the total Qualified Property amount approved) and has placed the initial equipment in service as of July 2016. The Applicant is requesting to extend the Agreement initial term by an additional one year to accommodate the effects of the coronavirus pandemic, which has slowed the Applicant’s growth and earnings for the Project.

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.<sup>4</sup>

According to the Applicant, its operations slowed significantly after the outbreak of the coronavirus. In addition to needing to spend time implementing strict protocols to adhere to new health and safety regulations, the Applicant states its sales were impacted because its customers, which are primarily agricultural businesses, faced a disruption within the food-supply chain. The Applicant explains that with restaurants and hospitality businesses impacted by stay-at-home orders, there was a lower demand for agricultural products. Furthermore, the Applicant also faced a labor shortage and has had to increase work hours for its existing employees and pay overtime.

To compensate for the loss of its soil amendment sales, the Applicant shifted its focus to producing animal feed, which was a nominal portion of the Project. According to the Applicant, it plans to more than double the original production of animal feed as the price of “yellow grease”, an ingredient used to make animal products has increased significantly. The Applicant states it recently applied for a license to sell pet food ingredients, as its production ratio is currently regulated by the California Department of Public Health.

According to the Applicant, it has hired a global engineering and construction firm with the goal of ramping up production within the next year to get the Project back on course. Additionally, the Applicant has hired a municipal financial advisor and underwriter and is working with the California Municipal Finance Authority as its issuer for bond financing to support current and upcoming business plans.

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<sup>3</sup> California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(A)

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

**THE APPLICANT**

The Applicant is a Delaware limited liability company established for the purpose of converting unsold organics from supermarkets into soil amendment and animal feed. The Applicant operated a pilot plant in West Sacramento from 2013 to 2015, serving local grocery chains such as Safeway, Nugget, Whole Foods, Save Mart, and Grocery Outlet. The Applicant has since added Sacramento’s Golden1 Center as a recycling customer. The Applicant has also partnered with scientists at UC Davis to study the efficacy and environmental benefits of its process and product.

The major shareholders (10.0% or greater) of the Applicant are:	The corporate officers of the Applicant are:
Daniel Morash (13.6%)	Daniel Morash, CEO
REDF – OR, Inc. (12.2%)	Mark LeJeune, COO
Mikael and Beth Salovaara (20.4%)	Mark Bauer, CMO
	Steve Zicari, CTO

**THE PROJECT**

The Applicant has built a commercial-scale organics recycling and soil amendment manufacturing facility in an 80,000 square foot warehouse in McClellan, California. Construction at the facility will be completed in two phases, with the goal of ramping up its production capacity to 3.2 million gallons of soil amendment per year at the end of phase two.

The Applicant’s business model involves collecting unsold food from participating grocery chains before it starts to rot or ferment. The Applicant states that this is different from all other methods of food waste recycling, where food is allowed to become putrescent in the process. By using special insulated totes and buggies to keep food waste fresh, the Applicant’s facilities can be permitted in urban areas, closer to the waste sources. This advantage eliminates the need for long distance hauling to a landfill or composting site, which in turn saves money and reduces GHG emissions.

Once at the Applicant’s facility, food waste is put through a proprietary system that uses heat, mechanical action, and enzymes to convert food into a liquid soil amendment with a small particle size (approximately 26 microns) in only three hours. The Applicant maintains that this new technology saves time and energy relative to composting food waste. The Applicant also notes that, because food waste is fresh, the resulting fertilizer, called Harvest to Harvest (“H2H”), is of a higher quality than industry standard. The Applicant has been working with scientists at UC Davis and the UC Coop Extension offices to demonstrate that H2H can increase crop yields, cut the use of nitrate fertilizer, and increase water efficiency. Additionally, because of the manufacturing process, the Applicant represents that the end-product is pathogen free, which is not the case for composted soil amendments.

**AGREEMENT INITIAL TERM EXTENSION REQUEST**

The Applicant has requested that the initial term of the Agreement be extended from January 19, 2022, to January 19, 2023, in order to accommodate delayed Project growth and earnings resulting from the coronavirus pandemic.

**Staff Evaluation**

In making its recommendation, Staff took into consideration the adverse effect caused by the coronavirus pandemic, which not only impacted the Applicant's industry but many other industries that are essential to the Project. Staff also considered the extended time necessary to implement health and safety protocols at the Applicant's facility to ensure a safe work environment for its employees, and the Applicant's ability to adapt to production changes and needs in the interim. Additionally, the Applicant has partnered with an engineering and construction firm, a financial advisor and underwriter, and a bond issuer to help the Project to move into its final stages within the next year and to work through future expansion plans.

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,<sup>5</sup> 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 year to January 19, 2023, as it is in the public interest and advances the purposes of the STE Program.

**Attachments**

Attachment A: California Safe Soil, LLC's letter requesting waiver (November 17, 2021)  
Attachment B: California Safe Soil, LLC's staff summary at the time of approval

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<sup>5</sup> California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(B)

**RESOLUTION APPROVING A TIME EXTENSION FOR  
CALIFORNIA SAFE SOIL, LLC'S INITIAL TERM FOR  
THE REGULATORY AGREEMENT**

January 18, 2022

WHEREAS, on January 19, 2016, 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 \$3,750,000 of Qualified Property for **California Safe Soil, LLC** (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)(B)); 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 previously had 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 three (3) years to January 19, 2022; and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property by January 19, 2022, due to unexpected delays in the Project timeline, extending the term by one (1) year to January 19, 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 Applicant's initial term of the Regulatory Agreement to January 19, 2023.

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

Attachment A: California Safe Soil, LLC's Letter Requesting Waiver (November 17, 2021)



California Safe Soil, LLC  
4700 Lang Avenue, Bay C  
McClellan, CA 95652  
(916) 539 - 5458

Wednesday, November 17, 2021

Ms. Stephani Wilde  
STE Analyst  
CAEATFA  
915 Capital Mall Room 538  
Sacramento, CA 95814

**Re.: Request for Time Extension**

Dear Ms. Wilde,

This letter requests a one year time extension for CSS to complete the use of its CAEATFA award #16-MS006. The total award was \$3,750,000. As of June 30, 2021, we had spent \$2,185,832.96 on qualified equipment. As of today, we have spent \$2,223,003.99 on qualified equipment. That leaves an unused amount of \$1,526,996.01, for which we are requesting a one year extension.

CSS recovers food from supermarkets that is no longer offered for sale or donation and, using its enzymatic digestion technology, converts the food into fertilizer, feed and pet food ingredients. In 2017, we won the Governor's Environmental and Economic Leadership Award from then-governor Jerry Brown. We have been planning a major expansion of our facility in McClellan, CA, from 5,000 tons/year to 30,000 tons/year of capacity. We have had several delays, including due to Covid. We now plan to start this expansion by next summer. Equipment for this project will substantially exceed the remaining balance.

A check for \$2,000.00 is attached, as required. Thank you in advance for your consideration to accommodate CSS with this extension.

Sincerely,

A handwritten signature in black ink that reads "Daniel Morash".

Daniel Morash  
CEO

**Attachment B: California Safe Soil, 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.5  
Resolution No. 16-SM006  
Application No. 16-SM006

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

*Request to Approve Project for Sales and Use Tax Exclusion (STE)<sup>1</sup>*

**California Safe Soil, LLC  
Application No. 16-SM006**

**Tuesday, January 19, 2016**

Prepared By: *James Shimp, Analyst*

**SUMMARY**

**Applicant** – California Safe Soil, LLC

**Location** – McClellan, Sacramento County

**Industry** – Soil Amendment Manufacturing

**Project** – Construction of a New Organics Recycling and Soil Amendment Manufacturing  
Facility (Advanced Manufacturing)

**Value of Qualified Property** – \$3,750,000

**Estimated Sales and Use Tax Exclusion Amount<sup>2</sup>** – \$315,750

**Application Score** –

Fiscal Benefits Points:	5,143
<u>Environmental Benefits Points:</u>	<u>120</u>
<b>Net Benefits Score:</b>	<b>5,263</b>
 <u>Additional Benefits Points:</u>	 <u>150</u>
<b>Total Score:</b>	<b>5,413</b>

**Staff Recommendation** – Approval

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

<sup>2</sup> This amount is calculated based on the average statewide sales tax rate of 8.42%.

**Agenda Item - 4.A.1**  
**Resolution No. 16-SM006-03**

**Agenda Item – 4.A.5**  
**Resolution No. 16-SM006**  
**Application No. 16-SM006**

**THE APPLICANT**

California Safe Soil, LLC (“CSS” or the “Applicant”) is a Delaware Limited Liability Company established for the purpose of converting unsold organics from supermarkets into soil amendment. The Applicant has operated a pilot plant in West Sacramento for the past three years, serving local grocery chains such as Safeway, Nugget, Whole Foods, Save Mart, and Grocery Outlet. CSS has also partnered with scientists at UC Davis to study the efficacy and environmental benefits of their process and product.

The major shareholders (10.0% or greater) of California Safe Soil, LLC are:

Dan Morash  
Mikael Salovaara  
REDF-OR, Inc.

The corporate officers of California Safe Soil, LLC are:

Dan Morash, Managing Member  
Emily McNamara, Marketing Associate  
John Erke, Director, Supermarkets  
George Eowan, Director, Regulatory Relations  
Dr. Miguel Duarte, Chief Agronomist  
David Yurosek, Farm Salesperson  
Troy Miller, Farm Salesperson  
Miriam Robles, Office Manager  
Mark Bauer, Director of Business Development  
Mark LeJeune, Chief Operating Officer

**THE PROJECT**

California Safe Soil, LLC is planning to build a commercial scale organics recycling and soil amendment manufacturing facility in an 80,000 square foot warehouse in McClellan, California (the “Project”). Construction at the facility will be completed in three phases, with Phases I and II beginning immediately and ramping production capacity to 3.2 million gallons of soil amendment per year. Phase III will expand capacity at the facility to meet industry demand. The Applicant believes that Phase III will break ground within three years. However, due to its reliance on market factors, Phase III equipment will be the subject of a separate application.

The Applicant’s business model involves collecting unsold food from participating grocery chains before it starts to rot or ferment. CSS represents that this is different from all other methods of food waste recycling, where food is allowed to become putrescent in the process. By using special insulated totes and buggies to keep food waste fresh, CSS facilities can be permitted in urban areas, closer to the waste sources. This advantage eliminates the need for long distance hauling to a landfill or composting site, which in turn saves money and reduces GHG



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emissions. Additionally, the Applicant states that its system generates no emissions, effluents, solid waste, or noxious odors, and that it improves store hygiene, compared with keeping unsold organics in compactors or dumpsters.

Once at the CSS facility, food waste is put through a proprietary system that uses heat, mechanical action, and enzymes to convert food into a liquid soil amendment with a small particle size (approximately 26 microns) in only three hours. CSS maintains that this new technology saves time and energy relative to composting food waste. The Applicant also states that, because food waste is fresh, the resulting fertilizer, called Harvest to Harvest (“H2H”), is of a higher quality than industry standard. CSS states that it has been working with leading scientists at UC Davis and the UC Coop Extension offices to demonstrate that H2H can increase crop yields, cut the use of nitrate fertilizer, and increase water efficiency. Additionally, because of the manufacturing process, the Applicant represents that the end product is pathogen free, which is not the case for composted soil amendments.

The Applicant currently has an agreement with the Save Mart chain of grocery stores, which will recycle food waste from 120 markets serviced by its Roseville distribution center at the CSS facility in McClellan. Currently, Save Mart ships organics to a composter, often hundreds of miles away. The Applicant represents that only a fraction of this food waste can be accommodated at the compost facility, because food waste must be kept in proportion to green waste in order to create a quality soil amendment. Therefore, some of the food waste shipped to composters may be ending up in landfills instead. CSS, on the other hand, will use 100% of the food waste it collects, reducing the amount of solid waste and GHG emissions.

**ANTICIPATED COSTS OF QUALIFIED PROPERTY**

The anticipated Qualified Property purchases are listed below:

Grinder	\$ 100,000
Boilers	200,000
Wash-down Stations	24,000
385 cubic foot Ribbon Blenders	929,000
Emulsifier	20,000
In-line High Shear Mixer	100,000
In-line Grinder	34,000
60" SWECO screens	100,000
Plant Transfer and Circulation Pumps	80,000
5,000 Gallon Stabilization Tank w/ prop mixer	52,000
5,000 Gallon Mix Tank w/ prop mixer	52,000
6,000 Gallon Load out Tank	30,000
Chemical Tanks	35,600
Product Storage Tanks	340,000
Product Storage Tank Agitators	112,000
Controls Equipment (Load cells, hardware, LAB EQ.& Indicators)	110,000
Air Compressor	60,000

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Totes	308,000
Buggies	152,000
Delivery containers	12,600
Trailers	72,000
Scales	3,000
Pallet Jacks	3,000
Rolling Ladders	2,800
Plant Office Equipment	10,000
Wash Line	178,000
Refrigeration equipment	380,000
Sort Lines	250,000
<b>Total</b>	<b><u>\$3,750,000</u></b>

*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 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**

The Project will consist of two phases. Phase I equipment will be installed and placed in service by the end of Q1 2016. Phase II will begin after Phase I is complete and will be completed within three years. A third phase is also expected as a separate application within three years.

**PROJECT EVALUATION**

**NET BENEFITS**

The total cost of the Qualified Property purchases is anticipated to be \$3,750,000. The Project received a Total Score of 5,413 points, which exceeds the required 1,000 point threshold and a total Environmental Benefits Score of 120 points, which exceeds the 20 point threshold.

- A. Fiscal Benefits (5,143 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 \$1,623,748 resulting in a Fiscal Benefits score of 5,143 points for the Project.
- B. Environmental Benefits (120 points).** The Project will result in an Environmental Benefits Score of 120. The Applicant received points in the following categories:

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1. **Energy Consumption (30 of 30 points).** The Applicant represents its manufacturing process will result in a 50% reduction in energy consumption relative to the industry standard manufacturing process.
2. **Solid Waste (30 of 30 points).** The Applicant's manufacturing process will result in a 50% reduction in solid waste produced relative to the industry standard manufacturing process.
3. **Hazardous Waste (30 of 30 points).** The Applicant's manufacturing process will result in a 50% reduction in hazardous waste produced relative to the industry standard manufacturing process.
4. **Air Pollutants (30 of 30 points).** The Applicant's manufacturing process will result in a 50% reduction in air pollutants produced relative to the industry standard manufacturing process.

**C. Additional Benefits (150 points).** Applicants may earn additional points for their Total Score. The applicant submitted information and received 150 additional points.

1. **Permanent Jobs (40 of 75 points).** The Applicant's Project will support a total of 18 permanent jobs at its Facility. CAEATFA estimates that approximately one 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.
2. **Construction Jobs (20 of 75 points).** The Applicant's Project will support a total of four construction jobs at its Facility. CAEATFA estimates that approximately one of these jobs will be attributable to a marginal increase in jobs created due to the approved STE resulting in a Construction Jobs Score of 20 points for the Project.
3. **Research and Development Facilities (25 points).** The Applicant has verified that it has a facility located in California that performs research and development functions related to agricultural soil amendments.
4. **Workforce Partnerships (25 points).** The Applicant has partnerships with University of California, Davis and the Center for Land Based Learning for the purposes of assisting in the training of potential future workers.
5. **Industry Cluster (40 points).** The industry associated with this Application has been identified by Sacramento Regional Technology Alliance as an industry cluster of the region of the Project's location.

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**STATUS OF PERMITS/OTHER REQUIRED APPROVALS**

The Applicant has received all necessary permits for the Project.

**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,<sup>3</sup> the Applicant has paid CAEATFA an Application Fee of \$1,875 and will pay CAEATFA an Administrative Fee of \$15,000.

**RECOMMENDATION**

Staff recommends approval of Resolution No. 16-SM006 for California Safe Soil, LLC's purchase of Qualified Property in an amount not to exceed \$3,750,000 anticipated to result in an approximate sales and use tax exclusion value of \$315,750.

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<sup>3</sup> California Code of Regulations Title 4, Division 13, Section 10036

**Agenda Item - 4.A.1**  
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**Agenda Item – 4.A.5**  
**Resolution No. 16-SM006**  
**Application No. 16-SM006**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A MASTER  
REGULATORY AGREEMENT WITH CALIFORNIA SAFE SOIL, LLC**

January 19, 2015

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) has received the Application of **California Safe Soil, LLC** (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 \$3,750,000 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.