

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

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

**Tandem Diabetes Care, Inc.
Application No. 20-SM010**

Tuesday, February 20, 2024

Prepared By: *Stefani Wilde, Program Analyst*

SUMMARY

Applicant – Tandem Diabetes Care, Inc.

Location – San Diego, San Diego County

Industry – Insulin Pumps and Related Products Manufacturing

Project – Upgrade and Expansion of Existing Insulin Pumps and Related Products
Manufacturing Facility (Advanced Manufacturing)

Total Amount Qualified Property Approved – \$60,000,000

Estimated Sales and Use Tax Exclusion Amount at Approval² – \$5,016,000

Amount of Time Requested –

- One (1) year and six (6) months, until September 17, 2025, for the Initial Term of the Regulatory Agreement (a total of five (5) years and six (6) months from the date of initial CAEATFA Board approval of March 17, 2020)

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 8.36%

REQUEST

On March 17, 2020, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Tandem Diabetes Care, Inc. (the “Applicant”) for the purchase of up to \$60,000,000 in Qualified Property to upgrade and expand its existing insulin pump and related products manufacturing facility in San Diego (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.³ On August 17, 2021, the CAEATFA Board approved the Applicant for a one year extension for the 15% purchase requirement timeframe, and one year for the initial term of the Agreement from its original termination date of March 17, 2023, to accommodate delays caused by the COVID-19 pandemic.

As of August 2023, the Applicant has used the STE to purchase \$16,078,788 of Qualified Property (27% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement initial term by an additional one (1) year and six (6) months to accommodate delays related to new procurement software, and delayed research and development due to relocation.

The Applicant states it has experienced delays in its planned expansion at its San Diego facility which has also delayed its research and development spend. Additionally, according to the Applicant, it has experienced purchasing delays which are the result of it implementing new software.

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.⁴

THE APPLICANT

Tandem Diabetes Care, Inc. is a Delaware corporation that formed in 2006 and is publicly traded under the symbol TNDM. Tandem manufactures insulin pumps and related products for those with insulin-dependent diabetes. According to Tandem, the company combines innovative technologies with an unrivaled focus on the customer experience.

The Applicant explains that pump therapy is an alternative to insulin shots, utilizing insulin pumps, which are computerized devices that simulate how the pancreas works by delivering small, steady, and continuous basal insulin to the body throughout the day. In November 2011, Tandem received FDA clearance for the first-ever touchscreen insulin pump called the t:slim Pump. Since then, it has focused on the t:slim system and complementary product offerings, including infusion sets, cartridges, and accessories.

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)

The corporate officers of Tandem Diabetes Care, Inc. are:

John Sheridan, President & Chief Executive Officer

David Berger, Executive Vice President, Chief Operating Officer

Leigh Vosseller, Executive Vice President, Chief Financial Officer & Treasurer

Susan Morrison, Executive Vice President Chief Administrative Officer

Brian Hansen, Executive Vice President & Chief Commercial Officer

THE PROJECT

The Applicant requested a STE to upgrade and expand its existing insulin pump and related products manufacturing facility located in San Diego. The Applicant explains the Project will entail an approximately 90,000 to 100,000 square-foot build-out and an upgrade of its existing production, research, design, quality control, and prototyping equipment.

According to the Applicant, the Project will enhance productivity and overall efficiencies by incorporating significant amounts of automation in its production lines. For example, the Applicant anticipates the average production time per insulin cartridge on the Applicant's cartridge manufacturing lines will be reduced by approximately 30% to 40% compared to historical averages. The Project will also utilize an improved counting and packaging system that will automatically count, bag, and seal cartridges operating on a just-in-time basis. The Applicant anticipates the just-in-time system will increase efficiencies and reduce solid waste related to packaging materials. The Project is also anticipated to reduce solid waste by employing a static flow of production, meaning the product remains stationary while the production equipment moves around it, which will reduce the amount of printed circuit board assembly replacement parts consumed during the manufacturing process.

Additionally, the Applicant states the company chose to focus on customer experience, concentrating on behavioral sciences and hiring a high-performing workforce, many who live with diabetes. The Applicant explains it designs its business and products on a consumer-focused platform. For example, its pumps are up to 38% smaller than other insulin pumps, are water-resistant up to 3 feet for 30 minutes, use an easy-to-read touchscreen and Bluetooth technology, and have a rechargeable battery via micro-USB.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from March 17, 2024, to September 17, 2025, in order to accommodate delays related to new procurement software, and delayed research and development due to relocation.

Staff Evaluation

The Applicant states it experienced significant delays as a result of the economic shutdowns related to the pandemic, however, it has been able to overcome those obstacles and move the Project forward. According to the Applicant, it made some adjustments to its plans for the expansion of the San Diego facility which created some additional delays. The Applicant cites

new software implementation as the reason for procurement delays it has experienced. Additionally, the Applicant states it has experienced delays to its research and development spend as a result of its move from an existing location to its headquarters in San Diego.

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,⁵ 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 and six (6) months to September 17, 2025, as it is in the public interest and advances the purposes of the STE Program.

Attachments

Attachment A: Tandem Diabetes Care, Inc's letter requesting waiver (November 29, 2023)
Attachment B: Tandem Diabetes Care, Inc's staff summary at the time of approval

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

**RESOLUTION APPROVING A TIME EXTENSION FOR
TANDEM DIABETES CARE, INC’S INITIAL TERM FOR
THE REGULATORY AGREEMENT**

February 20, 2024

WHEREAS, on March 17, 2020, 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 \$60,000,000 of Qualified Property for **Tandem Diabetes Care, 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 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 one (1) year to March 17, 2024; and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property March 17, 2024, due to unexpected delays in the Project timeline, extending the term by one (1) year and six (6) months to September 17, 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 September 17, 2025.

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

**Attachment A: Tandem Diabetes Care, Inc’s Letter
Requesting Waiver (November 29, 2023)**



November 29, 2023

CAEATFA
Attn: Xee Moua, Program Analyst
915 Capitol Mall Room 587
Sacramento, CA 95814

RE: CAEATFA STE Master Regulatory Agreement (“MRA”) Extension Request – Tandem Diabetes Care, Inc.
(20-SM010)

Dear CAEATFA Board Members & Staff,

Tandem Diabetes Care, Inc. (“Tandem”) respectfully requests an eighteen (18) month extension on its CAEATFA STE MRA award, until September 17, 2025, in order to procure the remaining CAEATFA STE Qualified Property.

Tandem’s CAEATFA STE award became effective as of March 17, 2020, which unfortunately occurred around the same time the COVID-19 pandemic hit hard causing massive economic shutdowns across the globe. After overcoming those obstacles, Tandem has since adjusted its expansion plans for its San Diego facility. In recent years, Tandem experienced the following additional delays:

- Purchasing delays of procurement department to implement and utilize the CAEATFA exclusion certificate in a timely manner as a result of the implementation of a new ERP and procurement software – reducing the actual Qualified Property purchases as compared to its plan.
- Delayed research and development spend as a result of relocating its R&D facilities from its pre-existing CA location to its San Diego Headquarters.

Despite the challenges Tandem has faced in recent years, with its new systems and processes in place, Tandem is confident that it will continue to utilize the CAEATFA exclusion in effort to exhaust its remaining award. To date, Tandem has spent ~27% of its total award and is looking forward to utilizing the remaining award to expand and grow in its home state of California. Please reach out to us with any questions. Thank you in advance for your time and careful consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Tran'.

Alex Tran
Consultant Representative

cc: CAEATFA@sto.ca.gov
xee.moua@treasurer.ca.gov
alex.tran@CALincentives.com
sarah.hoyt@CALincentives.com

**Attachment B: Tandem Diabetes Care, Inc’s Staff Summary
at the Time of Approval**

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

Agenda Item – 4.F.14
Resolution No. 20-SM010
Application No. 20-SM010

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

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

**Tandem Diabetes Care, Inc.
Application No. 20-SM010**

Tuesday, March 17, 2020

Prepared By: *Ashley Emery, Program Manager*

SUMMARY

Applicant – Tandem Diabetes Care, Inc.

Location – San Diego, San Diego County

Industry – Insulin Pumps and Related Products Manufacturing

Project – Upgrade and Expansion of Existing Insulin Pumps and Related Products
Manufacturing Facility (Advanced Manufacturing)

Value of Qualified Property – \$60,000,000

Estimated Sales and Use Tax Exclusion Amount² – \$5,016,000

Competitive Criteria Score – 70

Application Score –

Fiscal Benefits Points:	1,150
Environmental Benefits Points:	35
Net Benefits Score:	1,185

Additional Benefits Points:	80
Total Score:	1,265

Staff Recommendation – Approval

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 average statewide sales tax rate of 8.36%.

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Resolution No. 20-SM010-02

Agenda Item – 4.F.14
Resolution No. 20-SM010
Application No. 20-SM010

THE APPLICANT

Tandem Diabetes Care, Inc. (“Tandem” or the “Applicant”) is a Delaware corporation that formed in 2006 and is publicly traded under the symbol TNDM. Tandem manufactures insulin pumps and related products for those with insulin-dependent diabetes. According to Tandem, the company combines innovative technologies with an unrivaled focus on the customer experience.

The Applicant explains that pump therapy is an alternative to insulin shots, utilizing insulin pumps, which are computerized devices that simulate how the pancreas works by delivering small, steady, and continuous basal insulin to the body throughout the day. In November 2011, Tandem received FDA clearance for the first-ever touchscreen insulin pump called the t:slim Pump. Since then, it has focused on the t:slim system and complementary product offerings, including infusion sets, cartridges, and accessories.

The corporate officers of Tandem Diabetes Care, Inc. are:
Kim Blickenstaff, Executive Chairman of Board of Directors
John Sheridan, President & Chief Executive Officer
David Berger, EVP & Chief Legal & Compliance Officer
Leigh Vosseller, EVP & Chief Financial Officer
Susan Morrison, EVP Chief Administrative Officer
Brian Hansen, EVP & Chief Commercial Officer

THE PROJECT

Tandem is requesting a sales and use tax exclusion to upgrade and expand its existing insulin pump and related products manufacturing facility located in San Diego (the “Project”). The Applicant explains the Project will entail an approximately 90,000 to 100,000 square-foot build-out and an upgrade of its existing production, research, design, quality control, and prototyping equipment.

According to the Applicant, the Project will enhance productivity and overall efficiencies by incorporating significant amounts of automation in its production lines. For example, Tandem anticipates the average production time per insulin cartridge on the Applicant’s cartridge manufacturing lines will be reduced by approximately 30% to 40% compared to historical averages. The Project will also utilize an improved counting and packaging system that will automatically count, bag, and seal cartridges operating on a just-in-time basis. Tandem anticipates the just-in-time system will increase efficiencies and reduce solid waste related to packaging materials. The Project is also anticipated to reduce solid waste by employing a static flow of production, meaning the product remains stationary while the production equipment moves around it, which will reduce the amount of printed circuit board assembly replacement parts consumed during the manufacturing process.

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Agenda Item – 4.F.14
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Additionally, the Applicant states the company chose to focus on customer experience, concentrating on behavioral sciences and hiring a high-performing workforce, many who live with diabetes. Tandem explains it designs its business and products on a consumer-focused platform. For example, its pumps are up to 38% smaller than other insulin pumps, are water-resistant up to 3 feet for 30 minutes, use an easy-to-read touchscreen and Bluetooth technology, and have a rechargeable battery via micro-USB.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Manufacturing/Production Machinery, Equipment & Materials	\$25,175,000
Facility Buildout, Upgrades & Infrastructure Improvements	14,000,000
Design, Engineering, Research & Development Property	9,750,000
Logistics, Transport, Storage & Packaging	3,775,000
Lab Instruments & Devices	500,000
Quality Control, Testing, Prototyping & Related Property	3,000,000
Computers, Information Technology, Networking & Related Property	<u>3,800,000</u>
Total	<u>\$60,000,000</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 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 Applicant states it has already begun construction on the Project and anticipates the first phase to be complete and placed in service by June of 2020, and the remainder to finish in Q3 of 2021. The Applicant anticipates purchasing Qualified Property throughout the three-year term of the award.

COMPETITIVE CRITERIA SCORE

In the event that CAEATFA receives Applications in excess of the statutory \$100 million cap for that calendar year, the order in which the Applications shall be considered in the same month will be ranked based on five Competitive Criteria.

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The Applicant received 70 Competitive Criteria points as follows:

1. **Environmental Benefits (0 points)**. The Applicant's Project did not earn any Total Pollution Benefits points (i.e. did not have environmental benefits that could be monetized and scored pursuant to the Program's regulations³), therefore no points are awarded.
2. **Unemployment (0 of 50 points)**. The Applicant's Project is located in San Diego County, which has an average annual unemployment rate of 3.2 %. When compared to the statewide average annual unemployment rate, which was 4.1% in 2019, the dataset used in the Application, the Project location earned the Applicant an Unemployment Score of zero points.
3. **Job Creation (55 of 75 points)**. The Applicant represents that the Project will support a total of 658 production-related jobs at its Facility. CAEATFA estimates that approximately 33 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 55 points.
4. **California Headquarters (15 points)**. The Applicant has a California Corporate Headquarters, therefore 15 points are awarded.
5. **Natural Disaster Relief (0 points)**. The Project is not to rebuild or relocate the Applicant's Facility due to a fire, flood, storm, or earthquake identified in the state of emergency proclamation made by the California State Governor within two years of the time of application, therefore zero points are awarded.

PROJECT EVALUATION

NET BENEFITS

The Project received a Total Score of 1,265 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 35 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (1,150 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 \$5,767,662, resulting in a Fiscal Benefits score of 1,150 points for the Project.

³ California Code of Regulations Title 4, Division 13, Section 10033(c)(4)

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B. Environmental Benefits (35 points). The Project earned an Environmental Benefits Score of 35. The Applicant received points in the following categories:

1. **Energy Consumption (15 of 30 points).** The Applicant represents that the Project will result in a 15% reduction in energy consumption compared to the Applicant's previous manufacturing process through the use of high-efficiency LED lighting.
2. **Solid Waste (20 of 30 points).** The Applicant represents that the Project will result in a 20% reduction in solid waste produced relative to the Applicant's previous manufacturing process/industry standard manufacturing process. The Applicant anticipates these savings through a reduction in spare parts by converting to a static cartridge production line and reduced packaging materials by switching to just-in-time packaging for its cartridges.

C. Additional Benefits (80 points). Applicants may earn additional points for their Total Score. The Applicant submitted information and received 80 additional points.

1. **Production Jobs (55 of 75 points).** The Applicant represents that the Project will support a total of 658 production-related jobs at its Facility. CAEATFA estimates that approximately 33 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 55 points.
2. **Construction Jobs (0 of 75 points).** The Applicant represents that the Project will support a total of 18 construction jobs at its Facility. CAEATFA estimates that approximately 1 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 (0 of 50 points).** The Applicant's Project is located in San Diego County, which has an average annual unemployment rate of 3.2%. When compared to the statewide average annual unemployment rate, which was 4.1% in 2019, the dataset used in the Application, the Project location earned the Applicant an Unemployment Score of zero points.
4. **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 the production of insulin pumps and related parts.

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STATUS OF PERMITS/OTHER REQUIRED APPROVALS

The Applicant states it has secured all necessary building, installation and operational permits.

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 \$240,000.

RECOMMENDATION

Staff recommends approval of Resolution No. 20-SM010 for Tandem Diabetes Care, Inc.'s purchase of Qualified Property in an amount not to exceed \$60,000,000, anticipated to result in an approximate sales and use tax exclusion value of \$5,016,000.

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

Agenda Item – 4.A.1
Resolution No. 20-SM010-02

Agenda Item – 4.F.14
Resolution No. 20-SM010
Application No. 20-SM010

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A MASTER
REGULATORY AGREEMENT WITH TANDEM DIABETES CARE, INC.**

March 17, 2020

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) has received the Application of **Tandem Diabetes Care, 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 \$60,000,000 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.