

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

Board Meeting Date: Tuesday, March 18, 2025

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

**Terray Therapeutics, Inc.
Application No. 22-SM051**

Prepared By: *Willy Chen, Program Analyst*

SUMMARY

Applicant: Terray Therapeutics, Inc.

Location: Monrovia, Los Angeles County

Industry: Biopharmaceutical Manufacturing

Project: New Biopharmaceutical Manufacturing Facility (Advanced Manufacturing)

Total Amount Qualified Property Approved: \$16,417,363

Estimated Sales and Use Tax Exclusion Amount at Approval:² \$ 1,395,476

Initial Board Approval Date: June 21, 2022

Amount of Time Requested:

- Requesting a two-year extension, until June 21, 2027, for the Initial Term of the Regulatory Agreement (a total of five years from the date of initial CAEATFA Board approval of June 21, 2022)

Staff Recommendation: Approval

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

² This amount is calculated based on the average statewide sales tax rate at the time of initial approval, which was 8.5%.

BACKGROUND

On June 21, 2022, the CAEATFA Board approved a Sales and Use Tax Exclusion (“STE”) award for Terray Therapeutics, Inc. (the “Applicant”) for the purchase of up to \$16,417,363 in Qualified Property to build a new biopharmaceutical manufacturing facility located in Monrovia (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 December 31, 2024, the Applicant has used the STE award to purchase approximately \$13,146,000 of Qualified Property (80% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement initial term to accommodate experimental efficiency and optimize internal processes that have slowed the pace of Qualified Property acquisitions.

THE APPLICANT

Formed in Delaware in 2018, Terray Therapeutics, Inc. maintains its headquarters in Pasadena, California. The Applicant is a venture-backed pharmaceutical discovery and development company for small molecule therapeutics.

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

Apandion Alternative Holdings, LLC
(11.825% Fully Diluted Ownership)

The corporate officers of the Applicant are:

Jacob Berlin, Co-Founder & CEO
Eli Berlin, Co-Founder & CFO

THE PROJECT

Terray Therapeutics, Inc. received an STE award to build a new biopharmaceutical manufacturing facility located in Monrovia. The Applicant states that it uses a proprietary patented microarray technology that uses silicon microchips to discover and develop small molecule therapeutics. The Applicant intends to bring to market its small molecule therapeutics for a number of diseases, including, but not limited to, psoriasis, rheumatoid arthritis, alopecia, vitiligo, B-cell lymphoma, atopic dermatitis, and multiple sclerosis. According to the Applicant, its drug discovery process uses proprietary precision flow-cells and micro sample holders made using the latest techniques in computational fluid dynamics and additive manufacturing to provide high speed micrometer scale imaging. The Applicant claims that this process allows it to screen 32 million measurements in five minutes on each system, which the Applicant states is more chemicals in a shorter time than the industry standard.

At the time of Application, the Applicant was operating five systems and noted they would be scaling up to 20 systems, which would allow the Applicant to generate several billion measurements a day. The Applicant successfully completed this scale-up and now operates 20 systems generating approximately 500 million measurements a month. In aggregate, the Applicant has now measured more than 6 billion protein-ligand

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

interactions helping inform internal and partnered discovery and development efforts. The Applicant expects its processes to be significantly more energy efficient than traditional methods of pharmaceutical discovery that require large amounts of energy to store chemicals.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from June 21, 2025 to June 21, 2027, in order to accommodate experimental efficiency and optimize internal processes.

STAFF EVALUATION

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 Applicant states the delay in purchasing Qualified Property was primarily due to improvements needed to ensure proper product development. According to the Applicant, it continues to work diligently to improve its internal and partnered pipeline of small molecule therapeutics, however, the reality is that there are challenges with new innovations, and despite the delay, the Applicant believes the changes reflect positive operational advancements.

Staff has reviewed the extension request and taken into consideration that the Applicant has worked through various discovery and development efforts to overcome the most consequential hurdles. Furthermore, Staff considered that the Applicant has made significant progress and is committed to making Qualified Property purchases throughout 2025 and 2026 after a thorough assessment. The Applicant expects to enter Phase 1 trials in late 2026/early 2027, with partnered milestone payments further supporting their timeline. Finally, with new investors, including NVentures, the Venture Capital arm of NVIDIA and other venture funds, the Applicant is financially stable and well positioned to complete the Qualified Property acquisitions as planned. The Company successfully completed a Series B financing, which included a first close on August 30, 2024, and a final close on December 6, 2024, in which the Applicant raised roughly \$170 million in total capital, including the conversion of a Convertible Note that had previously been raised in 2023.

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.

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

LEGAL QUESTIONNAIRE

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

CAEATFA FEES

In accordance with STE Program regulations,⁵ the Applicant’s request to extend the initial term qualifies as a modification to the Applicant’s Agreement, incurring additional fees. The Applicant has paid the additional fee of \$2,000.

RECOMMENDATION

Staff recommends that the Board approve the Applicant’s request to extend the initial term of the Agreement by two years, until June 21, 2027, as it is in the public interest and advances the purposes of the STE Program, and the remaining term shall be for a period of seven years, until June 21, 2029, for providing annual compliance reports.⁶

ATTACHMENTS

Attachment A: Terray Therapeutics, Inc.’s Letter Requesting Waiver (January 24, 2025)
Attachment B: Terray Therapeutics, Inc.’s Staff Summary at the Time of Approval

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

⁶ California Code of Regulations Title 4, Division 13, Section 10035(a)(2)

**RESOLUTION APPROVING A TIME EXTENSION FOR
TERRAY THERAPEUTICS, INC.’S INITIAL TERM FOR
THE REGULATORY AGREEMENT**

March 18, 2025

WHEREAS, on June 21, 2022, 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 \$16,417,363 of Qualified Property for **Terray Therapeutics, 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, due to unexpected delays in the Project timeline, extending the term by two (2) years to June 21, 2027; 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 June 21, 2027.

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

**Attachment A: Terray Therapeutics, Inc.’s
Letter Requesting Waiver (January 24, 2025)**

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January 24, 2025
Terray Therapeutics, Inc.
750 Royal Oaks Drive, Suite 100
Monrovia, CA 91016

CAEATFA Board
Attn: David Palsha & Jeannie Yi

Re: Extension of Terray Therapeutics (22-SM051)

To whom it is concerned,

- A request for a time extension, including the specific amount of time requested, an anticipated schedule for purchasing the remainder of the Qualified Property, and rationale for why this specific amount of time is needed;
 - We are hereby requesting an extension from June 21, 2025, until June 21, 2027 to complete the purchasing of Qualified Property pursuant to 22-SM051. As of June 21, 2025 we anticipate having purchased approximately \$12M of the contemplated \$16,417,363.
 - We anticipate purchasing \$2M of Qualified Property in the period between June 21, 2025 and June 21, 2026 and \$2.4M of Qualified Property in the period between June 21, 2026 and June 21, 2027.
 - We are asking for a two-year extension as this reflects our current forecasted spend to complete the contemplated Qualified Property acquisitions.
- An explanation of why the extension is necessary (i.e. why the initial term deadline will not be met);

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- We have had certain improvements to our experimental efficiency and internal experimental process that have deferred the pace of acquisition for certain of the contemplated Qualified Property.
- An explanation of what assurances there are that the new timeline will be met;
 - Based on our current forecast, we anticipate utilizing the full exemption within the two-year extension window we are requesting.
- Amount of Qualified Property purchased to date;
 - As of June 30, 2024 we have acquired \$10,798,607 in Qualified Property. We anticipate as of December 31, 2024 that we acquired approximately \$11,140,000 of Qualified Property.
- Information on whether the scope of the project has changed; and
 - There has been no change in the scope of the project, just a change in the pace of need for the acquisition of the contemplated Qualified Property based on experimental efficiency and process optimization
- Any additional information to support Board approval of an extension of the Purchase Requirement.
 - None. We are happy to answer any questions and always happy to host the Board at our HQ in Monrovia, CA to see the impact of this award.

Subsequent Questions & Terray Responses (January 24, 2025):

- Is there an updated purchasing timeline?
 - We anticipate purchasing \$2M of Qualified Property in the period between June 21, 2025 and June 21, 2026 and \$2.4M of Qualified Property in the period between June 21, 2026 and June 21, 2027.
- How did the applicant come up with the requested timeframe (2 years)? Is it based on past purchasing history or investor timelines? Are there any known purchase and lead dates?
 - The two-year timeline is driven by our revised Qualified Property spending forecast which is based on forecast need within our experimental infrastructure as we continue to scale. As noted above, our experimental efficiency has improved such that our purchasing timelines have been extended for certain Qualified Property.
- What are some challenges the Company are facing? Give examples.
 - The Company continues to work diligently to progress our internal and partnered pipeline of small molecule therapeutics. This is challenging work, accelerated by our novel approach to experimentation, but still constrained by the reality that we

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Resolution No. 22-SM051-02**

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are trying to solve problems that have never been solved in drug discovery and development both for us and for our partners.

- Have the obstacles been overcome?
 - We have made enormous progress in many of our discovery and development efforts and expect to enter Phase 1 in our most progressed pipeline in late 2026 / early 2027. We also anticipate realizing multiple partnered milestone payments in 2026 and 2027. These payments are made upon realization of previously defined development objectives
- What assurances are there that the new timeline will be met this time?
 - We commit to no further extension of our timeline as we carefully reviewed our 2025 and 2026 purchasing needs to arrive at our requested extension.
- Are there any new investors?
 - Yes! We have welcomed NVIDIA through their NVentures venture capital fund, Bedford Ridge Capital, Maverick Capital and several new ultra-high net worth family offices in our most recent financing.

Company Ownership Information

- Provide the titles of all company officers.
 - Eli Berlin (CFO & COO)
 - Jacob Berlin (CEO)

Signed by: Eli Berlin

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Eli Berlin
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Position within Company: Chief Financial Officer

**Attachment B: Terray Therapeutics, 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. 22-SM051-01

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Terray Therapeutics, Inc.
Application No. 22-SM051**

Tuesday, June 21, 2022

Prepared By: *Matthew Jumps, Program Analyst*

SUMMARY

Applicant – Terray Therapeutics, Inc.

Location – Monrovia, Los Angeles County

Industry – Biopharmaceutical Manufacturing

Project – New Biopharmaceutical Manufacturing Facility (Advanced Manufacturing)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$16,417,363	\$1,395,476

Estimated Net Benefit ³	Dollar Value	Points Earned ⁴
Estimated Fiscal Benefits	\$8,137,460	5,831
Estimated Environmental Benefits	N/A	30
Additional Benefits	N/A	118
Total	\$8,137,460	5,980
Estimated Quantifiable Net Benefit	\$6,741,984	

Competitive Criteria Score – 83

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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Resolution No. 22-SM051-01**

THE APPLICANT

Terray Therapeutics, Inc. (the “Applicant”), is a Delaware corporation that formed in 2018. The Applicant is a venture-backed pharmaceutical discovery and development company for small molecule therapeutics. The Applicant has its current headquarters in Pasadena.

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

Two Sigma Ventures III, LP (13.5%)
DPG Fund I, LLC (13.4%)

The corporate officers of the Applicant are:

Jacob Berlin, CEO
Eli Berlin, CFO

THE PROJECT

Terray Therapeutics, Inc. is requesting an STE award to build a new biopharmaceutical manufacturing facility located in Monrovia (the “Project”). The Applicant states that it uses a proprietary patented microarray technology that uses silicon microchips to discover and develop small molecule therapeutics. The Applicant intends to bring to market its small molecule therapeutics for a number of diseases, including, but not limited to, psoriasis, rheumatoid arthritis, alopecia, vitiligo, B-cell lymphoma, atopic dermatitis, and multiple sclerosis. According to the Applicant, its drug discovery process uses proprietary precision flow-cells and micro sample holders made using the latest techniques in computational fluid dynamics and additive manufacturing to provide high speed micrometer scale imaging. The Applicant claims that this process allows it to screen 32 million measurements in five minutes on each system, which the Applicant states is more chemicals in a shorter time than the industry standard. Currently, the Applicant is operating five systems and will be scaling up to 20 systems, which will allow the Applicant to generate several billion measurements a day. The Applicant expects its processes to be significantly more energy efficient than traditional methods of pharmaceutical discovery that require large amounts of energy to store chemicals.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Tenant Improvements	\$111,500
Libraries Equipment	\$5,913,796
Liquid Handler	\$761,504
Decoding Equipment	\$951,795
Screening Equipment	\$132,000
Chemistry Equipment	\$3,631,142
Biology Equipment	\$2,203,994
Protein Synthesis Tools	\$500,000
Cytometer	\$489,000
Stacker	\$425,000
Plate Sealer	\$313,480
3D Printer	\$123,000

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Rotovapor Evaporator	\$110,400
Misc. Lab Equipment (Computes, Stirrer, Chiller, Chromatography, etc.)	\$750,752
Total	<u>\$16,417,363</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 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

The Applicant states that it is currently negotiating a lease for a new headquarters in Monrovia that will provide roughly 49,000 square feet of existing laboratory space for the Project. The Applicant anticipates moving into the Monrovia location beginning in the third quarter of 2022 and complete the move by the first quarter of 2023.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

According to the Applicant, the Project will require operational permits, which the Applicant will secure subsequent to executing a lease for the new facility in Monrovia.

COMPETITIVE CRITERIA SCORE

The Applicant received 83 Competitive Criteria points as follows:

- 1. Environmental Benefits (0 of 100 points).** The Application does not have a Recycled Resource Extraction Project or Project that produces an Advanced Transportation Technology or an Alternative Source product, component, or system. Therefore, no points are awarded.
- 2. Unemployment (33 of 50 points).** The Applicant's Project's primary Facility is located in Los Angeles County, which has an average annual unemployment rate of 10.5%.⁵ When compared to the statewide average annual unemployment rate of 7.89%, the Project location earned the Applicant 33 points.
- 3. Job Creation (35 of 75 points).** The Applicant anticipates the Project will support a total of 100 production-related jobs at its Facility. CAEATFA estimates that approximately 4.91 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 35 points.

⁵ Unemployment rates are based on data available in December 2021.

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4. **California Headquarters (15 of 15 points)**. The Applicant has a California Corporate Headquarters, and, therefore, 15 points are awarded.
5. **Natural Disaster Relief (0 of 50 points)**. The Project is not to rebuild or relocate the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclaimed by the Governor within two years of the time of application, and, therefore, zero points are awarded.
6. **Eligibility for Manufacturing and Research and Development Equipment Exemption (0 of 50 points)**. The Applicant is eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, and, therefore, zero points are awarded.
7. **Emerging Strategic Industry (0 of 75 points)**. The Project's industry is not in an Emerging Strategic Industry, and, therefore, zero points are awarded.

PROJECT EVALUATION

PROJECT BENEFITS

The Project received a Total Score of 5,980 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 (5,831 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 \$8,137,460, resulting in a Fiscal Benefits score of 5,831.
- 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 (30 of 30 points)**. The Applicant anticipates the Project will result in a 50% reduction in energy consumption compared to the industry standard manufacturing process. The Applicant states that its approach to the affinity binding portion of discovery in pharmaceutical research is more energy efficient than the industry standard, which involves sizeable storage of chemical compounds.
- C. **Additional Benefits (118 points)**. Applicants may earn additional points for their Total Score. The Applicant received 118 additional points.
 1. **Production Jobs (35 of 75 points)**. The Applicant anticipates the Project will support a total of 100 production-related jobs at its Facility. CAEATFA

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estimates that approximately 4.91 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 35 points.

2. **Construction Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of 8 construction jobs at its Facility. CAEATFA estimates that approximately 0.36 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 (33 of 50 points)**. The Applicant's Project is located in Los Angeles County, which has an average annual unemployment rate of 10.5%. When compared to the statewide average annual unemployment rate of 7.89%, the Project location earned the Applicant 33 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 biopharmaceutical manufacturing.
5. **Benefits and Fringe Benefits (25 of 25 points)**. The Applicant states it provides medical, health, dental, vision, retirement contributions, dependent care and assistance reimbursement, education reimbursement, and paid leave benefits 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,⁶ the Applicant has paid CAEATFA an Application Fee of \$8,485.66 and will pay CAEATFA an Administrative Fee of up to \$65,669.45.

RECOMMENDATION

Staff recommends the approval of Resolution No. 22-SM051-01 for Terray Therapeutics, Inc.'s purchase of qualifying tangible personal property in an amount not to exceed \$16,417,363 anticipated to result in an approximate STE value of \$1,395,476.

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

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**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH TERRAY THERAPEUTICS, INC.**

June 21, 2022

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Terray Therapeutics, 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 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$16,417,363 over a period of three (3) years; and

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

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

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

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

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

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

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

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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.