RESOLUTION NO. 2005-02

A RESOLUTION OF THE INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO APPROVE REQUESTS FOR FINANCE COMMITTEE BOND ISSUANCE AND POOLED MONEY INVESTMENT BOARD LOANS

WHEREAS, The California Stem Cell Research and Cures Bond Act (Division 106, Part 5, Chapter 3 of the Health and Safety Code [commencing with section 125290.10]; hereafter the "Act"), established by Proposition 71, which was approved by the voters on November 2, 2004, authorizes the California Institute for Regenerative Medicine (hereafter, the "Institute"), through its board, the Independent Citizens' Oversight Committee (hereafter, the "ICOC"), to award grants for stem cell research and other vital research opportunities in California (hereafter, the "Program"); and

WHEREAS, Article 2 of the Act (commencing with Health and Safety Code section 125291.10) known as the California Stem Cell Research and Cures Bond Act of 2004 (hereafter the "Bond Act") authorizes the issuance and sale of bonds in the total amount of three billion dollars ($3,000,000,000) to be deposited in the California Stem Cell Research and Cures Fund established by the Act, and appropriates moneys in that fund for, among other purposes, making grants awarded pursuant to the Act; and

WHEREAS, The Bond Act requires the issuance and sale of these bonds to be pursuant to the General Obligation Bond Law, Chapter 4 (commencing with section 16720), Pt. 3, Div. 4, Title 2, of the Government Code; hereafter the "Bond Law"), which is incorporated, in part, by reference into the Act; and

WHEREAS, For purposes of the Bond Law, the Act designates the California Institute for Regenerative Medicine as the "board", and creates the California Stem Cell Research and Cures Finance Committee (hereafter the "Committee") as the "committee" for the purpose of determining the necessity or desirability of issuing bonds upon request of the board; and

WHEREAS, The Act authorizes the Institute to apply to the Pooled Money Investment Board for interim funding from the Pooled Money Investment Account (Health & Saf. Code, § 125291.65) for purposes of carrying out the Program until the bonds are issued and sold; and

WHEREAS, The Act requires the Institute to execute any documents required by the Pooled Money Investment Board to obtain and repay this interim funding; and

WHEREAS, the ICOC, as the oversight board of the Institute, may delegate to one or more of its members or its Chair such powers and duties as it may deem proper; now, therefore,

BE IT RESOLVED, by the Independent Citizens' Oversight Committee as follows:

Section 1. The ICOC, on behalf of the Institute, hereby requests the Committee to issue bonds or commercial paper pursuant to the Act, from time to time, in the amounts

determined necessary or desirable to meet the purposes of the Program, in an aggregate outstanding amount not to exceed $3,000,000,000 (not including the amount of any refunding bonds) over ten years, subject to an annual maximum amount of $350,000,000, and with an initial amount of $200,000,000, and further, to issue any refunding bonds or refunding commercial paper at any time the Committee deems it necessary or desirable.

Section 2. The ICOC, acting on behalf of the Institute, authorizes its Chair, at the direction of the ICOC and in coordination with the Committee, to take any and all steps necessary or convenient, including, without limitation, to execute any applications, documents or certificates that he, upon the advice of the Attorney General or special counsel, may deem necessary and appropriate, to (a) evidence or communicate the ICOC's request for the issuance of bonds or commercial paper; and (b) request or apply for interim financing from the Pooled Money Investment Board in such amount or amounts the ICOC may determine to be necessary or desirable to meet the purposes of the Program, with an initial amount not to exceed $200,000,000, provided that the aggregate of any such amounts over ten years shall not exceed $3,000,000,000, and subject to an annual maximum amount of $350,000,000.

Section 3. This resolution shall take effect immediately upon its approval.

Date Approved: April 7, 2005

Secretary of the Board: Melissa K