

Proposed Terms of Discount Offer
(Subject to ICOC Consideration and Approval)

Applicants must agree to accept a nominal (or one-time) discount of 9%.

If an applicant's discount offer is accepted by the ICOC, the applicant will not be subject to any further reduction in the amount of the grant award recommended by the Facilities Working Group, other than the applicant's proposed discount.

If the applicant is able to utilize the early advance of grant funds to obtain construction savings that do not reduce or compromise the scientific value of the facility or the scope and specifications of the facility, then such savings shall not be subject to recapture by CIRM.

Any additional benefits to the applicant from the up-front disbursement of grant funds shall accrue to the applicant.

CIRM will not withhold the final 10 percent of the grant award, but the applicant must agree to completion and occupancy guarantees as part of the Notice of Grant Award.

As long as the applicant makes a good faith effort to complete the project according to the proposed schedule set forth in its application and undertakes all commercially reasonable efforts to complete on the proposed schedule, any penalty for delay will be offset by the applicant's front-end discount of the grant amount as long as any additional time to complete does not exceed 6 months.

Applicant shall submit an independent, post-completion audit of expenditures to CIRM within 120 days of project completion to ensure that all state funds have been spent on qualified costs.

All other terms of the Facilities Grant Administration Policy shall apply to the applicant, plus any other amendments made by the ICOC at its May 6th and 7th meeting to implement the discount terms.

For every day of delay by CIRM in distributing funds after June 30, 2008, the applicant's proposed discount shall be adjusted downward by $1/669$ (the number of days in 22 months as the denominator and one as the numerator). CIRM will only adjust the amount of the discount for delays caused by CIRM.

If the ICOC approves the discount proposal, pursuant to the provisions herein, CIRM may execute a "Notice of Grant Award" subject to administrative conditions subsequent, with compliance of those conditions to be completed within 90 days thereafter. Such conditions would address requirements of the published Facilities Grant

Administration Policy required of all applicants, including without limitation, the requirement that no element of the discount agreement, in the opinion of the President of CIRM, is interpreted to compromise the scientific value of the facility or the scope and specifications of the facility.

Eligibility to Receive Up-Front Disbursement

To qualify for this disbursement option, the applicant institution: (1) must have a current long-term Moody's or S&P credit rating of A or better; or (2) must be a campus of the University of California system; or (3) must post a guarantee – until the date the funds would have been disbursed under Facilities Grant Administration Policy Ch. VIII, § H(1)(b)(2)), satisfactory in all respects to CIRM, of the CIRM contribution by an entity with a long-term Moody's or S&P credit rating of A or better.