



TO: Chairman Thomas and Members of the ICOC
FROM: C. Scott Tocher, General Counsel
DATE: December 3, 2017
RE: Acceptance of Amended Gift from Donor

Under CIRM's gift policy, the Board must approve CIRM's acceptance of gifts exceeding a certain amount. CIRM's gift policy also precludes CIRM from accepting gifts from individuals or institutions that have received CIRM funding or that intend to apply for CIRM funding. This policy is intended to prevent even the appearance of a conflict of interest.

In an effort to ensure that CIRM has sufficient administrative funding for as long as necessary to oversee awards funded by CIRM, Chairman Thomas is working to ensure that CIRM has commitments for gifts sufficient to cover that obligation. To date, Chairman Thomas has secured commitments totaling \$7 million (\$5 million from the William K. Bowes, Jr. Foundation and \$2 million from the Franklin and Catherine Johnson Foundation). In December of 2015 the Board, per the policy described above, approved acceptance of the Bowes gift, which was contingent upon CIRM raising an additional \$23 million before June 30, 2019 and not having access to additional funds for its administrative costs. Chairman Thomas has renegiated this gift (as well as the Johnson gift) to remove that contingency. Instead, the gifts from the two foundations will be made in two equal installments by March 31, 2019, and March 31, 2020, unless CIRM has obtained sufficient funding from other sources. The gift commitments are attached to this memorandum.

Requested Action: Adopt motion to accept the amended gift agreements totaling \$7 million as set forth in the agreements.

Attachments.

Amendment to Donor Agreement

This agreement between the California Institute for Regenerative Medicine (the "CIRM"), an agency of the State of California, and Franklin P. Johnson, Jr. ("Donor"), dated November 16, 2015, is hereby amended, effective SEPT. 11, 2017.

RECITALS

WHEREAS, on November 16, 2015, Donor agreed to make a gift of \$2 million to CIRM in order to allow CIRM to finance its operations through the end of 2023, when CIRM expects to have disbursed the last of its research funds;

WHEREAS, the donation is contingent upon CIRM obtaining signed commitments from other donors in a total amount of \$28 million and CIRM not receiving additional administrative funds from other sources on or before June 30, 2019;

WHEREAS, CIRM has determined, based on efficiencies it has achieved, that it will need approximately \$9 million to sustain its operations beyond a November 2020 ballot initiative and through December 2020, and Donor desires to make his gift based on the level of commitments CIRM has already obtained;

WHEREAS, CIRM and Donor each desire to amend the Agreement to remove the contingency regarding the level of commitments obtained by CIRM from other donors and change the payment schedule as noted below;

WHEREAS, all other terms of the Agreement shall remain in full force and effect;

NOW, THEREFORE, in reliance on the mutual representations, warranties and agreements herein contained, the parties agree as follows:

1. Paragraph 1 of the Agreement shall be amended as follows:

1. Donor agrees to make a gift of \$2 million to CIRM to be paid in two equal installments of \$1,000,000, on or before March 31, 2019, and March 31, 2020, provided that the voters have not approved additional administrative funding for CIRM or CIRM has not obtained sufficient administrative funding, as determined by CIRM, from alternative sources.

2. This amendment is subject to the approval of the Independent Citizens' Oversight Committee.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.


DONOR:

Franklin P. Johnson, Jr.

By: 
Franklin P. Johnson, Jr.

Date: 9-11-17

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

By: 
Maria Millan, Ph.D, M.D.
President & CEO

Date: 9-12-17

Amended Donor Agreement

This California Institute for Regenerative Medicine (the "CIRM"), an agency of the State of California, and William K. Bowes, Jr. Foundation ("Donor"), agree to enter into this Letter of Commitment, as of October 23, 2015.

RECITALS

WHEREAS, on October 22, 2015, Donor agreed to make a gift of \$5 million to CIRM in order to allow CIRM to finance its operations through the end of 2023, when CIRM expects to have disbursed the last of its research funds;

WHEREAS, the donation is contingent upon CIRM obtaining signed commitments from other donors in a total amount of \$25 million and CIRM not receiving additional administrative funds from other sources on or before June 30, 2019;

WHEREAS, CIRM has determined, based on efficiencies it has achieved, that it will need approximately \$9 million to sustain its operations beyond a November 2020 ballot initiative and through December 2020, and Donor desires to make its gift based on the level of commitments CIRM has already obtained;

WHEREAS, CIRM and Donor each desire to amend the Agreement to remove the contingency regarding the level of commitments obtained by CIRM from other donors and change the payment schedule as noted below;

WHEREAS, all other terms of the Agreement shall remain in full force and effect;

NOW, THEREFORE, in reliance on the mutual representations, warranties and agreements herein contained, the parties agree as follows:

1. Paragraph 1 of the Agreement shall be amended as follows:

1. Donor agrees to make a gift of \$5 million to CIRM to be paid in two equal installments of \$2.5 million, one on or before March 31, 2019, and another on or before March 31, 2020, provided that the voters have not approved additional administrative funding for CIRM or CIRM has not obtained sufficient administrative funding, as determined by CIRM, from alternative sources.

2. This amendment is subject to the approval of the Independent Citizens' Oversight Committee.

IN WITNESS WHEREOF, the parties hereto have caused this
Amendment to be executed as of the date first above written.


DONOR:

William K. Bowes, Jr. Foundation

By: Wk C Bowes

Date: 9/21/17

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

By: 
Maria Millan, Ph.D, M.D.
President & CEO

Date: Sep. 27. 2017