EXHIBIT F: Evaluation Checklist - GICs

Summary

Financial Instrument or Contract Reviewed: Prudential Financial GIC - Effective Date of 3/04/2005; Expiration Date 12/31/2010 - Contract: GA-62003

Evaluation as of: 6/30/2009

Evaluation Prepared By: J. Plotts **Reviewed By:**

Interest rate swap		Swaptions	
Commodity swap		Forward contracts	
Interest rate lock		Futures contracts	
Options:		Other:	X
Caps		Describe	*Guaranteed Investment Contract*
Floors			
Collars			

Is this financial instrument is a derivative instrument under GASB 53?

	Reference Questions	Check as Appropriate
Derivative instrument	1-3	
Hybrid instrument	4-7	
Synthetic Guaranteed Investment Contract	8-14	
If a derivative instrument, is it excluded from scope?	15-19	
This is not a derivative instrument		X

Is this an investment derivative or a potential hedging derivative?		**Check one**
Investment derivative	20	
Potential hedging derivative:		
Existing or expected financial instrument?	21	
Existing or expected commodity?	21	
For existing or expected financial instruments:	21-29	**Check one**
Effective hedge (hedge accounting applies): (1)		
Cash flow hedge		
Fair value hedge		
Indicate method used to document effectiveness		
Ineffective hedge (hedge accounting does not apply)		
For existing or expected commodity transactions:	30-37	**Check one**
Effective hedge (hedge accounting applies): (1)		
Cash flow hedge		
Fair value hedge		
Indicate method used to document effectiveness: *Dollar Offset Method & Regression Analysis Method*		
Ineffective hedge (hedge accounting does not apply)		

(1) Once determined to be an effective hedge, an eveluation must be performed each subsequent year to validate continued effectiveness, unless Consistent Critical Terms Method is used.

EXHIBIT F: Evaluation Checklist - GICs

Initial Year Evaluation Checklist for: Prudential Financial Group GIC -
Effective Date of 3/04/2005; Expiration Date 12/31/2010 - Contract: GA-62003

Refer to the GASB Statement No. 53 Outline for details

Note: A ttach comments as necessary for further discussion of the conclusion. Certain questions may not result in simple "yes" or "no" answers and the substance of the financial instrument or contract must be considered in in order to arrive at the conclusion.

Determine whether the financial instrument or contract qualifies as a derivative instrument. If so, evaluate whether it is a hedging derivative. If a hedging derivative, determine whether it is a cash flow or fair value hedge.

Does this Meet the Definition of a Derivative Instrument? (¶7-13)

	YES/ NO	Source Document/ X - Reference
1. Does the financial instrument have settlement factors that include a) a reference rate and b) a notional amount?	No	Contract GA-62003
2. Is there leverage, i.e. little or no initial net investment?	No	Contract GA-62003
3. Are there net settlement provisions?	No	Contract GA-62003

If "yes," to question 1-3, the financial instrument or contract is a derivative instrument. However, continue the evaluation beginning with question 15 to determine whether the type of financial instrument or contract is excluded from the scope of Statement No. 53.

If "no" to any one of questions 1-3, the financial instrument or contract is not be a derivative instrument. However, continue the evaluation beginning with question 4 to assess whether a hybrid instrument is involved.

If Not, Does this Meet the Definition of a Hybrid Instrument? (¶64)

4. Is this a situation where there may be a derivative instrument that accompanies, or is incorporated within, a companion document?	No	Contract GA-62003

If "yes," to question 4, the financial instrument or contract may be a hybrid instrument and must be further evaluated. Continue the evaluation beginning with question 5 to determine whether the type of financial instrument or contract is is a hybrid instrument.

If "no" to question 4, the financial instrument or contract is not a hybrid instrument. However, continue the evaluation beginning with question 8 to determine whether an SGIC is involved.

5. Is it a true statement that the companion instrument is not measured at fair value on the Statement of Net Assets?	N/A	No companion instrument
6. Would a separate instrument with the same terms as a derivative instrument meet the definition of a derivative instrument using questions 1-3 above?	N/A	No companion instrument
7. Is it a true statement that the economic characteristics and risks of the derivative instrument are not closely related to the economic characteristics and risks of the companion instrument?	N/A	No companion instrument

If "yes" to all questions of 5-7 the financial instrument or contract is a hybrid instrument. However, continue the evaluation beginning with question 15 to determine whether the type of financial instrument or contract is excluded from the scope of Statement No. 53.

If "no" to any one of questions 4-6, the financial instrument or contract is not a hybrid instrument However, continue the evaluation beginning with question 8 to assess whether an SGIC is involved.

If Not, Does this Meet the Definition of a Synthetic Guaranteed Investment Contract (SGIC)? (¶67)

8.	Does the SGIC prohibit the University from assigning or selling the contract or its proceeds to another party without the consent of the issuer?	N/A	GIC, not a SGIC
9.	Are prospective interest crediting rate adjustments provided to plan partcipants and UC on a designated pool of investments by a financially responsible third party?	N/A	GIC, not a SGIC
10.	Do the adjustments provide assurance that probable future rate adjustments would result in an interest crediting rate of less than zero is remote?	N/A	GIC, not a SGIC
11.	Do the pool of investments in total meet both of the following criteria? * The pool is of high credit quality such that the possibility of credit loss is remote? * The pool may be prepaid or otherwise settled in such a way that UC and its plan participants would recover contract value?	N/A	GIC, not a SGIC
12.	Do the terms of the SGIC require all permitted participant-initiated transactions with UC to occur at contract value with no conditions, limits, or restrictions? (permitted participant-initiated transactions are those transactions allowed by UC, such as withdrawals for benefits, loans, or transfers to other investment choices)	N/A	GIC, not a SGIC
13.	Some events may limit UC's ability to transact with participants at contract value. Examples are premature termination of contracts, layoffs, plan terminations, bankruptcies, and early retirement incentives. Is the probability of such an event occurring within one year of the date of the financial statements remote?	N/A	GIC, not a SGIC
14.	Does UC allow participants reasonable access to their investments?	N/A	GIC, not a SGIC

If "yes" to all questions of 8-14 the financial instrument or contract is an SGIC under Statement No. 53. Measure at contract value and disclose in accordance with that Statement. The evaluation does not continue.

If "no" to any of questions 8-14, the financial instrument or contract is not an SGIC under Statement No. 53. The evaluation does not continue.

If this Meets the Definition of a Derivative Instrument, is it Excluded from the Scope of GASB Statement No. 53? (¶14-18)

15.	Is the derivative instrument a normal purchase or sale contract for a commodity used in the normal course of operations? Consider whether the contract results in the purchase or sale of a commodity such as natural gas or electricity, whether the contract includes a net settlement feature, whether the University has entered into such a contract in the past, whether the University has a practice of taking delivery or selling a commodity, and whether the quantity of the commodity in the contract is consistent with the volume used in the University's activities.		
16.	Is this a risk financing or insurance related contract?		

17. Is this a financial guarantee contract that does not respond to changes in a reference rate?

18. Is this a specific type of contract that is not exchange traded and includes a reference rate based upon climate, geological, other physical variables, or the price of a nonfinancial asset?

19. Is this a loan commitment contract?

If "yes" to any one of questions 15-19, the financial instrument or contract is excluded from the scope of Statement No. 53 and the evaluation does not continue.

However, if "no" to all of questions 14-19, the financial instrument or contract is a derivative instrument that must be further evaluated under Statement No. 53 to determine whether it is an "investment derivative" or a "hedging derivative," and if a "hedging derivative," whether it is "effective" or "ineffective" hedge. Begin the next stage of the evaluation with question 20.

Determine Whether the Derivative Instrument is an "Investment Derivative" or a Potential "Hedging Derivative" (¶20)

20. Was the derivative instrument or contract entered into for the purpose of making a profit?

If "yes" to question 20, the financial instrument or contract is an investment derivative under Statement No. 53. Apply investment derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to question 20, the financial instrument or contract is a hedging derivative and must be further evaluated to determine whether it is an "effective" or "ineffective" hedge. Begin the next stage of the evaluation with question 21.

21. Is the hedgeable item an existing or expected financial instrument?

If "yes" to question 21, continue the evaluation with question 22.

If "no" to question 21, the hedgeable item item is an existing or expected commodity transaction. Skip to question 30.

Evaluate Whether the Potential Hedging Derivative Where the Hedgeable Item is a Existing or Expected Financial Instrument is an "Effective" or Ineffective" Hedge. (¶34-48)

If the derivative instrument is an interest rate swap or forward contract, determine whether it is "effective" under the Consistent Critical Terms Method by continuing with question 22a, 23a or 24a.

Based upon the answers to the following, determine whether the Consistent Critical Terms Method of evaluating an interest rate swap or forward contract results in an "effective" hedge:

EXISTING OR EXPECTED FINANCIAL INSTRUMENTS

Consistent Critical Terms Method

For an "effective" interest rate swap-cash flow hedge (¶37):

22a. Is the notional amount of the interest rate swap the same as the principal amount of the hedgeable item throughout the life of the hedging relationship? This criterion is met if the notional amount of the interest rate swap and principal amount of the hedgeable item are equal for each hedged interest payment, even if the hedged item amortizes or otherwise adjusts subsequent to the inception of the hedge.

22b. Upon association with the hedgeable item, does the interest rate swap have a zero fair value? (the value of a derivative instrument that is either entered into or exited with no consideration being exchanged. A zero fair value should be within a dealer's normal bid/offer spread.)

22c. Is the formula for computing net settlements under the interest rate swap the same for each net settlement? (That is, the fixed rate is the same throughout the term of the interest rate swap. Likewise, each variable payment of the interest rate swap is based on the same variable, such as the same reference rate or index.)

22d. Is the reference rate of the interest rate swap's variable payment consistent with one of the following:
(1) The reference rate or payment of the hedgeable item. For example, an interest rate swap provides variable payments to the University equal to the total variable payments of variable-rate bonds—a cost-of-funds hedge.
(2) A benchmark interest rate as specified in paragraph 35 if interest rate risk is the hedged risk. The reference rate cannot be multiplied by a coefficient, such as 68 percent of LIBOR, but it may be adjusted by addition or subtraction of a constant, such as the SIFMA swap index plus 10 basis points, provided that the constant is specifically attributable to the effects of state-specific tax rates.

22e. Do interest receipts or payments of the interest rate swap occur during the term of the hedgeable item, and no interest receipts or payments of the interest rate swap occur after the term of the hedgeable item? (For example, an interest rate swap that hedges the first 10 years of a 15-year variable-rate bond meets this criterion.)

22f. Is it true that the reference rate of the interest rate swap does not have a floor or cap unless the hedgeable item has a floor or cap. (If the hedgeable item has a floor or cap, does the interest rate swap have a floor or cap on the variable interest rate that is comparable to the floor or cap on the hedgeable item? (Comparable does not necessarily mean equal. For example, an interest rate swap's reference rate is the SIFMA swap index, while the hedgeable bond's variable rate is the SIFMA swap index plus 2 percent. A 10 percent cap on the interest rate swap would be comparable to a 12 percent cap on the bonds and would meet this criterion as both caps produce equal changes in cash flows if the SIFMA swap index exceeds 10 percent.)

22g. Is the time interval of the reference rate, commonly referred to as the designated maturity, employed in the variable payment of the interest rate swap the same as the time interval of the rate reset periods of the hedgeable item? (Examples that meet this criterion include an interest rate swap with a variable payment referenced to (1) the SIFMA swap index—a seven-day index—that hedges variable-rate bonds with a rate reset every seven days and (2) an interest rate swap with a variable payment referenced to the one-month LIBOR index that hedges taxable variable-rate bonds with a monthly rate reset.)

22h. Are the frequency of the rate resets of the variable payment of the swap and the hedgeable item the same? (For example, this criterion is met by an interest rate swap with a reference rate that resets monthly and hedges bonds with a variable interest rate that also resets monthly.)

22i. Are the rate reset dates of the interest rate swap within six days of the rate reset dates of the hedgeable item? (For example, this criterion is met by an interest rate swap with a reference rate that resets on the 15th day of the month that hedges bonds with a variable interest rate that resets on the 18th day of the month.)

22j. Are the periodic interest rate swap payments within 15 days of the periodic payments of the hedgeable item?

If "yes" to all of questions 22a-j, the interest rate swap is an "effective" <u>cash flow hedge</u> under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 22 a-j, the interest rate swap is not an "effective" <u>cash flow hedge</u> under the Consistent Critical Terms Method and must be further evaluated. Begin the next stage of the evaluation with question 23.

For an "effective" interest rate swap-fair value hedge (¶38):

23a. Is the notional amount of the interest rate swap the same as the principal amount of the hedgeable item throughout the life of the hedging relationship? (This criterion is met if the notional amount of the interest rate swap and principal amount of the hedgeable item are equal over the entire term of the hedgeable item, even if the hedgeable item amortizes or otherwise adjusts subsequent to the inception of the hedge.)

23b. Upon association with the hedgeable item, does the interest rate swap have a zero fair value?

23c. Is the formula for computing net settlements under the interest rate swap the same for each net settlement? (That is, the fixed rate is the same throughout the term of the interest rate swap. Likewise, each variable payment of the interest rate swap is based on the same variable, such as the same reference rate or index.)

23d. Is it true that the interest rate swap that hedges interest rate risk has a variable payment based on a benchmark interest rate without multiplication by a coefficient, such as 68 percent of LIBOR? (The benchmark interest rate, however, may be adjusted by addition or subtraction of a constant, such as the SIFMA swap index plus 10 basis points, provided that the constant is specifically attributed to the effect of state-specific tax rates.)

23e. Is it true that the hedgeable item is not prepayable? (that is, the hedgeable item is not able to be settled by either party prior to its scheduled maturity). This criterion does not apply to a call option in an interest-bearing hedgeable item that is matched by a mirror-image call option in an interest rate swap if both of the following criteria are met:
(1) A mirror-image call option matches the terms of the call option in the hedgeable item. The terms include maturities, strike price, related notional amounts, timing and frequency of payments, and dates on which the instruments may be called.
(2) The University is the writer of one call option and the holder (or purchaser) of the other call option.

23f. Is the expiration date of the interest rate swap on or about the maturity date of the hedgeable item so that the University will not be exposed to interest rate risk or market risk?

23g. Is it true that the reference rate of the interest rate swap has neither a floor nor a cap?

23f. Does the reference rate of the interest rate swap reset at least every 90 days so that the variable payment or receipt is considered to be at a market rate?

If "yes" to all of questions 22a-f, the interest rate swap is an "effective" <u>fair value hedge</u> under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 23 a-f, the interest rate swap is not an "effective" <u>fair value hedge</u> under the Consistent Critical Terms Method and must be further evaluated. Begin the next stage of the evaluation with question 24a.

For an "effective" forward contract-cash flow hedge (¶39):

24a. Is the object of the hedge an <u>existing</u> single asset or liability, or group of assets and liabilities, that are currently measured at fair value on the SRECNA, such as debt or

If "yes" to question 24a, the derivative instrument is an investment derivative. Apply investment derivative financial reporting treatment and disclosures as outlined in the

If "no" to question 24a, continue to 24b.

24b. Is the object of the hedge an <u>expected</u> single asset or liability, or group of assets and liabilities, that are <u>not</u> currently measured at fair value on the SRECNA, such as the

If "yes" to question 24b, a hedgeable item exists and therefore continue the evaluation to 24c to determine whether the potential hedging derivative is "effective".

If "no" to question 24b, the derivative instrument is an investment derivative. Apply investment derivative financial reporting treatment and disclosures as outlined in the

24c. Is the forward contract for the purchase or sale of the same quantity or notional amount and at the same time as the hedgeable item?

24d. Upon association with the hedgeable item, does the forward contract have a zero fair value?

24e. Is the reference rate of the forward contract consistent with the reference rate of the hedgeable item?

If "yes" to all of questions 24c-e, the forward contract is an "effective" <u>cash flow hedge</u> under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM. Discontinue the evaluation.

If "no" to any one of questions 24a-c, the forward contract is not an "effective" <u>cash flow hedge</u> under the Consistent Critical Terms Method. Do not apply hedging derivative financial reporting treatment. Apply investment derivative financial reporting treatment and disclosures as outlined in the IRM. Discontinue the evaluation.

Quantitative Methods

If the interest rate swap or forward contract is not "effective" under the Consistent Critical Terms Method, continue the evaluation using at least one of the quantitative methods discussed below.

Synthetic instrument method-cash flow hedge (¶42-43):

25a. Is the notional amount of the potential hedging derivative instrument the same as the principal amount of the associated variable-rate asset or liability throughout the life of the hedging relationship? (This criterion is met if the notional amount of the swap and principal amount of the hedgeable item match for each hedged interest payment, even if the hedged item amortizes or otherwise adjusts subsequent to the inception of the hedge.)

25b. Upon association with the variable-rate asset or liability, does the potential hedging derivative instrument have a zero fair value or is the forward price at-the-market?

25c. Is the formula for computing net settlements under the potential hedging derivative instrument the same for each net settlement; that is, the same fixed rate, reference rate, and constant adjustment, if any, throughout the term of the potential hedging derivative instrument?

25d. Do the interest receipts or payments of the potential hedging derivative instrument occur during the term of the variable-rate asset or liability, and no interest receipts or payments occur after the term of the variable-rate asset or liability? (For example, a swap that hedges the first 10 years of a 15-year variable-rate bond meets this criterion.)

If "yes" to all of questions 25a-d, the Synthetic Instrument Method may be applied to evaluate the effectiveness of a potential hedging derivative. Continue with question 26.

If "no" to any one of questions 25a-d, the Synthetic Instrument Method may not be applied to evaluate the effectiveness of a potential hedging derivative. Skip to question 27 for another quantitative method.

26. Under the synthetic instrument method, a potential hedging derivative instrument is effective if the actual synthetic rate is substantially fixed. The results of this analysis should be evaluated as follows:

26a. Is the actual synthetic rate within a range of 90 to 111 percent of the fixed rate of the potential hedging derivative instrument?

26b. If the actual synthetic rate is outside the required range for the current reporting period, the actual synthetic rate should be calculated on a life-to-date basis. Is the actual synthetic rate on a life-to-date basis within the required range?

26c. If a short time period has elapsed since inception of the hedge and the actual synthetic rate is outside the required range, the evaluation may include hypothetical payments, as if the hedge had been established at an earlier date. Effectiveness should then be reevaluated. For example, the first reporting period ends 90 days into a 10-year hedge, and when the government prepares its financial statements, it finds that the actual synthetic rate for the 90-day period is outside the 90 to 111 percent range. In that case, hypothetical payments from periods prior to the establishment of the hedge may be added to the evaluation. Does that analysis show a synthetic rate within the required range?

If "yes" to any of questions 26a-c, the derivative instrument is an "effective" <u>cash flow hedge</u> under the Synthetic Instrument Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 26a-c, the derivative instrument is not an "effective" <u>cash flow hedge</u> under the Synthetic Instrument Method and must be further evaluated. Skip to question 27 for another quantitative method.

Dollar-offset method-fair value or cash flow hedge (¶44):

27. The dollar-offset method evaluates effectiveness by comparing the changes in expected cash flows or fair values of the potential hedging derivative instrument with the changes in expected cash flows or fair values of the hedgeable item. This evaluation may be made using changes in the current period or on a life-to-date basis. Do changes in either the hedgeable item or the potential hedging derivative instrument divided by the other result within a range of 80 to 125 percent in absolute terms?

If "yes" to question 27, the derivative instrument is an "effective" as either a <u>cash flow or fair value hedge</u> under the Dollar Offset Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to question 27, the derivative instrument is not an "effective" cash flow <u>or fair value hedge</u> under the Dollar Offset Method and must be further evaluated. Skip to question 28 for another quantitative method.

Regression analysis method (¶45-47):

Cash flow hedges. If a potential hedging derivative instrument is employed as a cash flow hedge, the relationship analyzed should be relevant cash flows, rates, or fair values of the potential hedging derivative instrument and the hedgeable item. See ¶46.

Fair value hedges. If a potential hedging derivative instrument is employed as a fair value hedge, the relationship analyzed should be the changes in fair values of the potential hedging derivative instrument and the hedgeable item.

28. For either a cash flow or fair value hedge, under the regreession analysis method:

28a. Is the R-squared of the regression analysis is at least 0.80?

28b. Does the F-statistic calculated for the regression model demonstrate that the model is significant using a 95 percent confidence interval?

28c. Is the regression coefficient for the slope is between –1.25 and –0.80?

If "yes" to all of questions 28a-c, the derivative instrument is either an "effective" <u>cash flow hedge</u> or <u>fair value hedge</u> under the Regression Analysis Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 28a-c, the derivative instrument is not an "effective" <u>cash flow or fair value hedge</u> under the Regression Analysis Method and must be further evaluated. Skip to question 29 for another quantitative method.

Other Quantitative Methods (¶48):

The University may use a quantitative method to evaluate effectiveness not specifically identified in Statement No. 53 if the method meets all of the following criteria:

29a. Through identification and analysis of critical terms, does the method demonstrates that the changes in cash flows or fair values of the potential hedging derivative instrument substantially offset the changes in cash flows or fair values of the hedgeable item?

29b. Can replicable evaluations of effectiveness be generated that are sufficiently complete and documented such that different evaluators using the same method and assumptions would reach substantially similar results?

29c. Have the substantive characteristics of the hedgeable item and the potential hedging derivative instrument that could affect their cash flows or fair values been considered?

If "yes" to all of questions 29a-c, another quantitative method may be used to demonstrate effectiveness.

If "no" to any of questions 29a-c, another quantitative method may not be used to demonstrate effectiveness.

EXISTING OR EXPECTED COMMODITY TRANSACTIONS

Based upon the answers to the following, determine whether the Consistent Critical Terms Method of evaluating a commodity asset or expected transaction results in an "effective" hedge:

Consistent Critical Terms Method

For an "effective" commodity swap-cash flow hedge (¶51):

30a. Is the commodity swap for the purchase or sale of the same quantity (notional amount) of the same hedgeable item at the same time and delivery location as the hedgeable item?

30b. Upon association with the hedgeable item, does the commodity swap have a zero fair value?

30c. Is the reference rate of the commodity swap consistent with the reference rate of the hedgeable item. (For example, a commodity swap hedges the University's natural gas purchases at the Henry Hub pricing point. That commodity swap also should have a reference rate based on the Henry Hub pricing point to meet this criterion.)

30d. Is it true that the reference rate of the commodity swap does not have a floor or cap unless the hedgeable item has a floor or cap? (Floors and caps place limits on expected cash flows. If the hedgeable item has a floor or cap, the commodity swap has a comparable floor or cap on the variable commodity price.)

If "yes" to all of questions 30a-d, the interest rate swap is an "effective" cash flow hedge under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 30 a-d, the interest rate swap is not an "effective" cash flow hedge under the Consistent Critical Terms Method and must be further evaluated. Begin the next stage of the evaluation with question 31.

For an "effective" commodity swap-fair value hedge (¶52):

31a. Is the commodity swap for the purchase or sale of the same quantity (notional amount) of the same hedgeable item at the same time and delivery location as the hedgeable item?

31b. Upon association with the hedgeable item, does the commodity swap have a zero fair value?

31c. Is it true that the hedgeable item is not prepayable? (that is, the hedgeable item is not able to be settled by either party prior to its scheduled maturity). This criterion does not apply to a call option in an interest-bearing hedgeable item that is matched by a mirror-image call option in a commodity swap if both of the following criteria are met:
(1) A mirror-image call option matches the terms of the call option in the hedgeable item. The terms include maturities, strike price, related notional amounts, timing and frequency of payments, and dates on which the instruments may be called.
(2) The University is the writer of one call option and the holder (or purchaser) of the other call option.

31d. Is the expiration date of the commodity swap on or about the maturity date of the hedgeable item so that the University will not be exposed to interest rate risk or market risk?

31e. Is it true that the reference rate of the commodity swap has neither a floor nor a cap?

31f. Does the reference rate of the commodity swap reset at least every 90 days so that the variable payment or receipt is considered to be at a market rate?

If "yes" to all of questions 31a-f, the commodity swap is an "effective" fair value hedge under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 31 a-f, the commodity swap is not an "effective" fair value hedge under the Consistent Critical Terms Method and must be further evaluated. Begin the next stage of the evaluation with question 33a.

For an "effective" commodity forward contract-cash flow hedge (¶53):

32a. Is the forward contract for the purchase or sale of the same quantity or notional amount and at the same time as the hedgeable item?

32b. Upon association with the hedgeable item, does the forward contract have a zero fair value?

32c. Is the reference rate of the forward contract consistent with the reference rate of the hedgeable item?

If "yes" to all of questions 32a-c, the commodity forward contract is an "effective" cash flow hedge under the Consistent Critical Terms Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 32 a-c, the commodity forward contract is not an "effective" cash flow hedge under the Consistent Critical Terms Method and must be further evaluated. Begin the next stage of the evaluation with question 33a.

Quantitative Methods

If the commodity swap or forward contract is not "effective" under the Consistent Critical Terms Method, continue the evaluation using at least one of the quantitative methods discussed below.

Synthetic instrument method-cash flow hedge (¶56-57):

33a. Is the notional amount of the potential hedging derivative instrument the same as the quantity of the hedgeable item?

33b. Upon association with the hedgeable item, does the potential hedging derivative instrument have a zero fair value or is the forward price at-the-market?

If "yes" to all of questions 33 a-b, the Synthetic Instrument Method may be applied to evaluate the effectiveness of a potential hedging derivative. Continue with question 34.

If "no" to any one of questions 33 a-b, the Synthetic Instrument Method may not be applied to evaluate the effectiveness of a potential hedging derivative. Skip to question 35 for another quantitative method.

34. Under the synthetic instrument method, a potential hedging derivative instrument is effective if the actual synthetic rate is substantially fixed. The results of this analysis should be evaluated as follows:

34a. Is the actual synthetic rate within a range of 90 to 111 percent of the fixed rate of the potential hedging derivative instrument?

Dollar-offset method-fair value or cash flow hedge (¶58):

35. The dollar-offset method evaluates effectiveness by comparing the changes in expected cash flows or fair values of the potential hedging derivative instrument with the changes in expected cash flows or fair values of the hedgeable item. This evaluation may be made using changes in the current period or on a life-to-date basis. Do changes in either the hedgeable item or the potential hedging derivative instrument divided by the other result within a range of 80 to 125 percent in absolute terms?

If "yes" to question 35, the derivative instrument is an "effective" as either a cash flow or fair value hedge under the Dollar Offset Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to question 35, the derivative instrument is not an "effective" cash flow or fair value hedge under the Dollar Offset Method and must be further evaluated. Skip to question 36 for another quantitative method.

Regression analysis method (¶59):

Cash flow hedges. If a potential hedging derivative instrument is employed as a cash flow hedge, the relationship analyzed should be relevant cash flows, rates, or fair values of the potential hedging derivative instrument and the hedgeable item. See ¶60.

Fair value hedges. If a potential hedging derivative instrument is employed as a fair value hedge, the relationship analyzed should be the changes in fair values of the potential hedging derivative instrument and the hedgeable item.

For either a cash flow or fair value hedge, under the regreession analysis method:

36a. Is the R-squared of the regression analysis is at least 0.80?

36b. Does the F-statistic calculated for the regression model demonstrate that the model is significant using a 95 percent confidence interval?

36c. Is the regression coefficient for the slope is between –1.25 and –0.80?

If "yes" to all of questions 36a-c, the derivative instrument is either an "effective" cash flow hedge or fair value hedge under the Regression Analysis Method. Apply hedging derivative financial reporting treatment and disclosures as outlined in the IRM.

If "no" to any one of questions 36a-c, the derivative instrument is not an "effective" cash flow or fair value hedge under the Regression Analysis Method and must be further evaluated. Skip to question 37 for another quantitative method.

Other Quantitative Methods (¶62):

The University may use a quantitative method to evaluate effectiveness not specifically identified in Statement No. 53 if the method meets all of the following criteria:

37a. Through identification and analysis of critical terms, does the method demonstrates that the changes in cash flows or fair values of the potential hedging derivative instrument substantially offset the changes in cash flows or fair values of the hedgeable item?

37b. Can replicable evaluations of effectiveness be generated that are sufficiently complete and documented such that different evaluators using the same method and assumptions would reach substantially similar results?

37c. Have the substantive characteristics of the hedgeable item and the potential hedging derivative instrument that could affect their cash flows or fair values been considered?

If "yes" to all of questions 37 a-c, another quantitative method may be used to demonstrate effectiveness.

If "no" to any of questions 37 a-c, another quantitative method may not be used to demonstrate effectiveness.

Prudential Financial

The Prudential Insurance Company of America

Contract-Holder:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
for the exclusive benefit of participants and beneficiaries of the
University of California 457(b) Deferred Compensation Plan,
the University of California Defined Contribution Plan and
the University of California Tax Deferred 403(b) Plan
(In this contract, these plans are the "Plan".)

Jurisdiction: California	Group Annuity Contract No.: GA-62003
Pages Attached: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; Specification Sheet(s)	Effective Date of Contract: March 4, 2005

This Contract sets forth the terms and conditions that apply to the amounts received under it. It provides for crediting interest and repaying the amounts, including credited interest, and an option to purchase annuities. Non-participating in the divisible surplus of Prudential.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA for the exclusive benefit of participants and beneficiaries of the Plan
1111 Broadway, Suite 1400
Oakland, California 94607-9828

SPECIMEN

By:______________________________
Title:

Date:______________________________

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
200 Wood Ave S
Iselin, New Jersey 08830-2706

Chairman and Chief Executive Officer

SPECIMEN

Secretary

Attest by
Prudential:______________________________

Date:______________________________

ARTICLE I. ACCOUNT AND SUB-ACCOUNTS; ADDITIONS; INTEREST CREDITED; EXPENSE CHARGES:

1.1 Account and Sub-Accounts; Additions; Interest Credited:

Prudential will maintain an Account to record the total amounts held under this Contract. Prudential will maintain a Sub-Account to record separately the amount held under this Contract in accordance with each Sub-Account Specification Sheet which is agreed to by Prudential and the Contract-Holder and made a part of this Contract.

The Contract-Holder will promptly remit to Prudential for addition to a Sub-Account the amounts as set forth in the Specification Sheet for that Sub-Account. Other amounts may be added to a Sub-Account with Prudential's consent. No amounts may be added to a Sub-Account if the Plan ceases to meet the requirements for qualification under the Federal Internal Revenue Code. Each amount will be added to a Sub-Account on the day Prudential receives it.

If any of the following events occur, the Contract-Holder will notify Prudential of such event. The events are:

- a change in the Plan that reasonably can be expected to alter materially the amounts to be directed to the Plan's ICC Fund (the "Fund"),

- a change in the investment mix of an investment choice under the Plan (including a change in the investment mix of the Fund such as the addition of marketable securities to the Fund) that reasonably can be expected to alter materially the amounts directed to the Fund, and

- the addition of a subsidiary or a group of employees during any time period in which amounts are being remitted to a Sub-Account, as specified in a Specification Sheet.

If any of the above events is likely to materially increase the amounts which may be directed to the Fund while a Sub-Account is receiving amounts as set forth in the Specification Sheet for that Sub-Account and, in Prudential's opinion, result in a material and adverse financial effect on Prudential's interest under the Contract, none of the increased amounts may be added to the Sub-Account. Prudential may waive this restriction with respect to any change or addition, but the Contract-Holder is not obligated to commit such increase in amount to the Sub-Account.

If any of the above events is likely to materially decrease the amounts which may be directed to the Fund while a Sub-Account is receiving amounts as set forth in the Specification Sheet for the Sub-Account and, in Prudential's opinion, result in a material and adverse financial effect on Prudential's interest under the Contract, the Contract-Holder is obligated to continue to make those additions to the Sub-Account that Prudential reasonably expected to receive under that Sub-Account. If it is not possible for the Contract-Holder to continue to make such additions to the Sub-Account, Prudential will make a good faith effort to reach an agreement with the Contract-Holder on an alternative to such additions which will mitigate any material and adverse financial effect on Prudential's interest under the Contract. Such agreement may include, but is not limited to, reducing the interest rate described in section 1.1 or modifying the Scheduled Withdrawals described in section 2.3.

A Plan change required so that the Plan will continue as a plan meeting the requirements for qualification under the Federal Internal Revenue Code will not be considered as one having a material and adverse financial effect on Prudential's interest under the Contract.

At the end of any day the amount of each Sub-Account is equal to the addition(s) to the Sub-Account plus credited interest, less the amounts withdrawn from it. Prudential will credit interest to the Sub-Account at the rate of interest set forth in the applicable Specification Sheet for the entire period of the Sub-Account. Interest is credited at the end of each day on the amount of the Sub-Account at the end of the preceding day.

The amount of the Account at the end of any day is equal to the total of the amounts of all Sub-Accounts in effect under this Contract.

1.2 Expense Charges:

If the interest rate shown in the applicable Specification Sheet is a net rate, no daily expense charge will be made by Prudential. If the interest rate shown in the applicable Specification Sheet is a gross rate, a daily expense charge will be made by Prudential as described below.

Prudential makes a daily expense charge for each day that the Sub-Account is greater than zero. The charge is a percentage of the amount of the Sub-Account on the preceding day.

Prudential will bill the Contract-Holder for the charges from time to time, as agreed in writing. The expense charge billed will be equal to the excess of the amount of the Sub-Account at the end of the period for which the bill is due, over the amount of the Sub-Account determined as if the daily expense charge had been deducted on a daily basis from the Sub-Account during such period. If such expenses are not paid within thirty-one days after a bill for them has been delivered to the Contract-Holder, the charges will be deducted from the Sub-Account.

ARTICLE II. WITHDRAWALS:

2.1 Participant-Initiated Withdrawals:

The Contract-Holder will request withdrawals from a Sub-Account to honor requests for payments from the Fund made by Plan participants pursuant to the terms of the Plan, excluding any direct transfers to competing funds, and indirect transfers to competing funds where the funds transferred from the Fund have not first remained in a non-competing fund for a minimum of three months (a minimum of one month for the Savings Fund). A "competing fund" is defined as an investment fund which: (a) is primarily invested in fixed income securities; and (b) exhibits similar characteristics to a guaranteed investment contract with respect to low volatility in value. The withdrawals from a Sub-Account in accordance with this section will only occur before the last Scheduled Withdrawal (see section 2.3) from that Sub-Account.

A withdrawal from a Sub-Account will only be made if the amount to be paid from the Fund exceeds the amounts held in short term investments under the Fund at the time of the withdrawal.

The amount that will be withdrawn during the period that the additions are being made to a Sub-Account as set forth in the Specification Sheet for that Sub-Account, will be equal to the lesser of the amount of the Sub-Account and the payments from the Fund. Thereafter, the Contract-Holder will request a withdrawal from that Sub-Account only if the amount to be paid from the Fund exceeds the amounts added to it after the end of that period, including any amounts arising from maturing proceeds on and after the end of that period which are held by the Contract-Holder with respect to the Fund. The amount of the withdrawal will be equal to the lesser of the amount of such excess and the amount of that Sub-Account.

The Contract-Holder will give prompt notice to Prudential of each withdrawal. Notice of each withdrawal may be made by facsimile transmission. The amount withdrawn will be paid to the Contract-Holder within three Business Days after Prudential receives the notice. ("Business Day" is a day on which the principal office of Prudential in Newark, New Jersey, and the Federal Reserve are open for business.)

If any of the following events occur, the Contract-Holder will notify Prudential of such event. The events are:

- a Plan change that reasonably can be expected to alter materially the amounts to be directed out of the Fund. (A Plan change required so that the Plan will continue as a plan meeting the requirements for qualification under the Federal Internal Revenue Code will not be considered as one expected to alter materially the direction of amounts.)

- the addition to, or elimination from, the Plan of an investment choice that reasonably can be expected to alter materially the amounts directed out of the Fund.

- a change in the investment mix of an investment choice under the Plan (including a change in the investment mix of the Fund such as the addition of marketable securities to the Fund) that reasonably can be expected to alter materially the amounts directed out of the Fund.

- a change in the withdrawal method or the level of the Buffer Fund, if any, that reasonably can be expected to alter materially the amounts directed out of a Sub-Account.

- the distribution of communication material to Plan participants that reasonably can be expected to alter materially the amounts directed out of the Fund. Prudential recognizes that the Contract-Holder may provide factual information to participants about the investment options, a general discussion of long term, strategic asset allocation principles and investment strategies, and any information that is required to keep the qualification status of the Plan. However, such discussions or information shall not be delivered to participants in a manner so as to be reasonably construed as to advise participants to alter future contributions or allocations or to transfer existing funds specifically to or from the Fund. In such event, Prudential may deny withdrawals resulting from such advice.

If such event(s) would materially increase or decrease the expected participant-initiated withdrawals under this Contract, Prudential will make a good faith effort to reach an agreement with the Contract-Holder (including, but not limited to, reducing the interest rate specified in section 1.1, subjecting the excess withdrawals to a market value adjustment or modifying the Scheduled Withdrawals described in section 2.3) to permit the increase or decrease of withdrawals caused by such event on a basis which will mitigate any material and adverse financial effect on Prudential's interest under the Contract. The Contract-Holder will provide Prudential with information sufficient for Prudential to determine the extent of the increase or decrease in expected withdrawals resulting from such event.

If Prudential and the Contract-Holder cannot reach agreement, Prudential will continue to make the withdrawals that would have occurred if such event did not occur.

If any employing unit, subsidiary, or affiliate participating in the Plan is sold or terminates its relationship with the Contract-Holder while an amount attributable to such a group remains in a Sub-Account, the Contract-Holder will notify Prudential and Prudential will, subject to Prudential's review and acceptance of the applicable plan and the existence of all regulatory approvals required of Prudential, issue a similar but separate contract (the "Clone Contract") on that group's behalf. That portion of the Sub-Account (as determined by the Contract-Holder) which is attributable to the affected group will be transferred at book value by Prudential to the Clone Contract. Such transfer will be in full settlement of Prudential's liability under this Contract for the amount(s) attributable to the affected group. The terms of the Clone Contract to be issued to such group will be consistent with the terms of this Contract, unless changes are required by law.

Prior to Prudential's issue of a Clone Contract as described in the preceding paragraph, the Contract-Holder will submit to Prudential, for Prudential's review and acceptance, a current copy of the plan to be covered by the Clone Contract, or instead, a letter of representation and warranty from the plan sponsor, or an agent of the plan sponsor, may be delivered to Prudential. Prudential will accept such plan for underwriting if its terms (including the withdrawal method used to provide for participant-initiated withdrawals as described under this section 2.1) are substantially the same as the terms of the Plan previously submitted to Prudential in connection with the issue of the latest Sub-Account. In the event Prudential does not accept such plan for underwriting and therefore will not issue a Clone Contract on the group's behalf, Prudential will withdraw the amount attributable to the affected group and pay such amount to the Contract-Holder or to any payee named by the Contract-Holder who is a funding agent for the Plan. Any payment resulting from such withdrawal which is in excess of the 20% limitation described below in this section 2.1 will be paid at the lesser of the book value and the market value of the amount withdrawn.

Upon complete or partial termination of the Plan, the removal of a specifically identifiable group of employees from coverage under the Plan (such as a group layoff or early retirement incentive program), or the closing or sale of a subsidiary, employing unit or affiliate, any payments resulting from withdrawals for such events which are in excess of 20% of the amount of each Sub-Account will be equal to the lesser of the book value and the market value of the amount withdrawn, unless all of the amount withdrawn is used to purchase a Clone Contract covering the affected participants pursuant to the provisions of this section 2.1 as described above. The market value of such excess amount will be equal to:

$$A \times [(1 + i_c)/(1 + i_w + .0075)]^N$$

where,

A	is the portion of the Sub-Account to be withdrawn which is subject to a market value adjustment.

i_c	is the yield to maturity (expressed as a decimal) of the most recently issued "on the run" Treasury bill, note or bond with a duration equal to the duration of the Sub-Account on the date the offer was accepted, obtained from the Q pages of the Bloomberg Financial Markets Service on the Business Day after the date the offer was accepted. If there is no bill, note or bond with such a duration, then appropriate linear interpolation will be made to derive the corresponding yield.

i_w	is the yield to maturity of the most recently issued "on the run" Treasury bill, note or bond with a duration equal to the remaining duration of the Sub-Account obtained from the Q pages of the Bloomberg Financial Markets Service on the Business Day preceding the day the withdrawal becomes effective.

N	is the remaining duration of the Sub-Account on the Business Day preceding the day the withdrawal becomes effective expressed to four decimal places.

For the purpose of applying this section, (i) the 20% limitation applies in total to all such events which occur in each annual period beginning on the effective date of the Sub-Account or an anniversary thereof, (ii) the amount of the Sub-Account shall be determined as of the effective date of the Sub-Account or the anniversary thereof preceding the date of the applicable event and (iii) the amount determined in item (ii) will be based on the assumption that any and all Scheduled Withdrawals under the applicable Sub-Account Specification Sheets are made as scheduled, regardless of whether or not the date of the Scheduled Withdrawal is a Business Day and whether or not the withdrawal is made on such date. However, if any of these events occurs in the period beginning on the effective date of the Sub-Account and ending on the day before the anniversary of such effective date, the amount of the Sub-Account for the purpose of applying the 20% limitation will be based on the amount of additions which are expected to be made to the Sub-Account in that period.

2.2 Administrative Expense Withdrawals:

The Contract-Holder will, if so indicated on the Specification Sheet for a Sub-Account, request withdrawals from a Sub-Account to pay administrative expenses, trustee fees and investment management fees as required by the Plan.

Prudential is not responsible for determining the reasonableness or appropriateness of the above fees or expenses.

2.3 Scheduled Withdrawals and Contingency Withdrawals:

Prudential will withdraw amounts from each Sub-Account in accordance with the schedule specified in the applicable Specification Sheet. In addition to the scheduled withdrawals, Prudential will make a contingency withdrawal from a Sub-Account if specified in the applicable Specification Sheet. On the date of each withdrawal Prudential will, unless the Contract-Holder requests otherwise, make a transfer payment of the amount withdrawn.

The Contract-Holder may request, at least 30 days before the date on which a withdrawal is to be made, that the transfer payment not be made. If the Contract-Holder makes this request and does not rescind it, the following will apply:

(1) The amount withdrawn will be held in an account under this Contract and credited with interest at an effective annual rate specified by Prudential in a notice to the Contract-Holder at least ten Business Days before the date of the withdrawal,

(2) No amounts will be permitted to be withdrawn from such account by the Contract-Holder pursuant to section 2.1, except that the option to purchase annuities as described in Article III will continue to apply, and

(3) On the fifth anniversary of the withdrawal date, Prudential will withdraw the amount of the account to provide a single sum transfer payment.

The interest rate to be credited in accordance with item (1) will be not less than the yield on U.S. Treasury securities with a period to maturity of five years, less 0.50%. This yield will be the latest yield for five year constant maturities published by the Federal Reserve Board. The Contract-Holder may rescind the request that a transfer payment not be made. Notice of rescission must be given to Prudential five or more Business Days before the date on which a withdrawal is to be made.

For any account established in accordance with (1) above, the procedure described in the preceding two paragraphs will be repeated at the end of each five year period until no amount remains under this Contract or, if earlier, the 25th anniversary of the effective date of the applicable Sub-Account.

Any transfer payment to be made in accordance with this section will be made by wire transfer to any payee named by the Contract-Holder who is a funding agent for the Plan.

If the day of any withdrawal described in this section is not a Business Day, the withdrawal will be made on the next Business Day. Interest will be credited to the withdrawal amount at the effective annual rate then being credited to the Sub-Account for the number of days from the withdrawal day to the Business Day on which the withdrawal is made.

ARTICLE III. ANNUITY OPTION:

The Contract-Holder may, at its election, purchase an annuity under this Contract to fund the payment of any pension under the Plan. The annuity may be in any payment form Prudential is then selling except that it may not be a variable annuity. Prudential will issue a certificate describing the annuity's payment terms.

If any relevant fact relating to any person receiving annuity payments hereunder is found to be misstated, the amount of such payments will be changed based on the correct information without changing the date of first payment of such annuity. If the information results in an increase, the extra amount due will be paid when the records are corrected. If the change results in a decrease, the extra amount paid will be deducted from later payments.

The annuity purchase price will be paid by a withdrawal from the amounts held under this Contract. Any such withdrawal from a Sub-Account on or before the last Scheduled Withdrawal from that Sub-Account will be made on the same basis as withdrawals under section 2.1. For any such withdrawals after that date, or from an account established pursuant to subsection 2.3(1) before that date, the amount applied to purchase the annuity will be equal to the smaller of the book value and the market value of sufficient future contractual payments to provide the purchase price. To determine its book value, each such payment will be discounted to the annuity purchase date at the interest rate specified in the notice described in subsection 2.3(1). To determine its market value, each such payment will be discounted to the annuity purchase date at the interest rate equal to the sum of 1.0% and the yield on the annuity purchase date of U.S. Treasury securities with a period to maturity equal to the period to the due date of such payment. Withdrawals to purchase annuities may be made at any time while any amount remains under this Contract.

The purchase price of each annuity will be determined on the basis of assumptions as to mortality rates, expenses, and future interest rates related to the annuity. The mortality rates and expenses will be determined on the same basis as that offered by Prudential for new business on the Effective Date of the applicable Sub-Account(s) for its non-participating group maturity funding contracts. The interest rate used to determine the purchase price will be not less than the yield on U.S. Treasury securities maturing ten years from the date on which the withdrawal is made, less 0.75%. This yield will be the latest yield for ten year constant maturities published by the Federal Reserve Board.

ARTICLE IV. GENERAL TERMS:

Any of the officers of Prudential named below may act for it.

Chairman and Chief Executive Officer	Vice Chairman
President	Vice President
Secretary	Assistant Secretary

The Contract-Holder will name its representative(s) who may act for it.

The Contract-Holder and Prudential may mutually agree in writing to change this Contract.

Communications between the Contract-Holder and Prudential will be in writing to their addresses shown on the signature page. Each may substitute a different address.

Neither this Contract nor any payments payable under it may be assigned by the Contract-Holder or Prudential, through the means of assumption reinsurance or otherwise, without the consent of the other party, except as may be required by law.

The Contract-Holder will give Prudential a copy of

- the Plan in effect on the Effective Date of this Contract and the Effective Date of each later Sub-Account,
- each later Plan change on or before the date the Plan change is announced to Plan participants, or, if earlier, before the date the change takes effect,
- Form 5310 (or other Form as may be required by the Internal Revenue Service) if an application is filed with the Internal Revenue Service in connection with a partial or complete termination of the Plan or for merger, consolidation or transfer of the Plan's assets, and
- any participant communications referencing this Contract as well as communications relating to the investment choices available under the Plan, other than material that merely describes the existing investment options and their investment performance, such as prospectuses, annual reports, performance updates, etc., before the date it is released.

In lieu of the foregoing documents (other than Form 5310), a letter of representation and warranty from the Plan sponsor, or an agent of the Plan sponsor, may be delivered to Prudential.

Prudential may require the Contract-Holder to provide reasonable proof

- of the terms of the Plan then in effect, and
- that any addition to or withdrawal from a Sub-Account is being made pursuant to the terms of this Contract.

Dollars and cents refer to currency of the United States of America.

If there is no payee to accept a payment due under this Contract, Prudential will hold the payment until a proper payee is determined. No interest will be credited on the payment or payments being so held. If the Contract-Holder does not promptly determine a proper payee, Prudential will do so. A determination by Prudential will be conclusive. Any payment paid to a payee so determined will fully discharge Prudential's liability for that payment.

The Contract-Holder may, with the written agreement of Prudential and the Plan sponsor, delegate to the Plan sponsor all of the functions normally required of the Contract-Holder except the signing of documents, modifying the terms of the Contract and the remitting of participant contributions.

ARTICLE V. ENTIRE CONTRACT:

This document and the Sub-Account Specification Sheets which are agreed to and made a part of the Contract constitute the entire group annuity contract. This Contract will be construed under the laws of the jurisdiction shown on the signature page.

ARTICLE VI. TERMINATION:

This Contract will terminate when the last payment it provides for has been made.

SUB-ACCOUNT SPECIFICATION SHEET
FOR SUB-ACCOUNT NO. 62003-211

The terms which apply to this Sub-Account are stated below. All terms are applied in accordance with the other provisions of this Contract.

Contract Number: GA-62003

Accounting Number: 62003-211

Effective Date: March 4, 2005, pursuant to offer accepted on February 25, 2005.

Amount to be Remitted: $25,000,000.00 on March 4, 2005.

Rate of Interest: 4.45% (effective annual rate).

Daily Expense Charge: None. The interest rate shown above is net of the expenses of this Sub-Account.

Administrative Expense Withdrawals: Not Applicable.

Scheduled Withdrawals: On January 3, 2006, Prudential will withdraw 25% of the amount of the Sub-Account as of the end of that day.

On January 3, 2007, Prudential will withdraw 10% of the amount of the Sub-Account as of the end of that day.

On December 31, 2009, Prudential will withdraw 20% of the amount of the Sub-Account as of the end of that day.

On December 31, 2010, Prudential will withdraw the remaining amount of the Sub-Account as of that day.

Contingency Withdrawal: Not Applicable.

Changes: Not Applicable.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA for the exclusive benefit of participants and beneficiaries of the Plan

By:______________________________
Title:

Date:______________________________

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Chairman and Chief Executive Officer

Secretary

Attest by
Prudential:__________________________

Date:______________________________