EXHIBIT G: Evaluation Checklist - GICs

Summary

Financial Instrument or Contract Reviewed: New York Life GIC -
Effective Date of 2/28/2006; Expiration Date 12/31/2010 - Contract: GA-34049
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 G: Evaluation Checklist - GICs

Initial Year Evaluation Checklist for: New York Life GIC -
Effective Date of 2/28/2006; Expiration Date 12/31/2010 - Contract: GA-34049

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-34049
2. Is there leverage, i.e. little or no initial net investment?	No	Contract GA-34049
3. Are there net settlement provisions?	No	Contract GA-34049

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-34049

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 existing 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 expected single asset or liability, or group of assets and liabilities, that are not 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" cash flow hedge 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" cash flow hedge 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" cash flow hedge 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" cash flow hedge 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 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 27, 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 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 *<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 35, 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 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" *<u>cash flow hedge or 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 36a-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 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.

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April 11, 2006

Melvin Stanton
University of California
Office of the Treasurer
1111 Broadway, Suite 1400
Oakland, CA 94607-9828

GA34049

Dear Mr. Stanton:
We are pleased to acknowledge receipt of your contribution of $25,000,000.00 effective April 10, 2006 which has been deposited into following account(s):

Fixed Dollar Account	$25,000,000.00	(Class 01)

If I can be of any assistance, please feel free to contact me.

Sincerely,

Joanne E. Sanders

NEW YORK LIFE Investment Management LLC

Tara L. Aldridge
Senior Contracts Associate
Guaranteed Products
169 Lackawanna Avenue
Parsippany, NJ 07054
Tele 973-394-3285 Fax 973-394-4606

Tara_aldridge@nylim.com

March 3, 2006

Mr. Melvin Stanton
University of California
1111 Broadway, Suite 1400
Oakland, CA 94607-9828

RE: GA-34049 University of California ICC Fund

Dear Mr. Stanton:

Enclosed please find the following items for the above-mentioned Contract for your records: a countersigned copy of the Contract, two copies of the Application Page, and two countersigned copies of the Contract Specification Appendix No. 001.

Please note that both copies of the Application Page and the Contract Specification Appendix are to be executed. Please return the copy stamped, "Duplicate of Original" to my attention at the above address.

Thank you for your attention to this matter. If you have any questions or need additional information, please call me at the above number.

Sincerely,

Tara Aldridge

File

New York Life Insurance Company

A Mutual Company Founded in 1845

51 Madison Avenue, New York, NY 10010

Contract Specification Appendix No. 001

THE SPECIFICATIONS HEREIN APPLY ONLY TO THIS APPENDIX:

Contractholder: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AS TRUSTEE FOR THE UNIVERSITY OF CALIFORNIA ICC FUND

Contract Number: GA-34049 Effective Date: 02/28/06

Contract Period: 02/28/06 to 12/31/10 (Maturity Date)

Contract Years will be determined from the Effective Date, which is the first day of the first Contract Year. Each such Contract Year is a period of 12 months.

Open Window Period: 02/28/06 to N/A

Contributions:

Contributions in accordance with Section 1.1 of this Contract will consist of a single sum contribution to be received on 2/28/2006 totaling $25,000,000.00, and a single sum contribution to be received on 4/10/06 totaling $25,000,000.00 which represents available proceeds.

Annual Interest Rate: 5.4547%

Annual Expense Charge Rate: 0.2000%

Effective Net Annual Yield: 5.2547%

Schedule of Payments:

Dates	**Amounts**
12/31/07	25% of the Fixed Dollar Account Balance
12/31/09	33% of the Fixed Dollar Account Balance
12/31/10	100% of the Fixed Dollar Account Balance

All provisions and conditions of the Contract not inconsistent with the provisions and conditions of this Appendix will remain in effect.

Frederick J. Sievert
President

Susan A. Thorpe
Secretary

Patricia A. Kerrigan
Countersignature

Accepted for the Contractholder: Melvin J. Stanton
(Signature and Title)

On 4-4-07

(Witness)

Application

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AS TRUSTEE FOR THE UNIVERSITY OF CALIFORNIA ICC FUND as Contractholder whose Main Office Address is Office of the Treasurer, 1111 Broadway, Suite 1400, Oakland, CA, 94607-9828 hereby makes application to New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010, for Group Annuity Contract No. GA-34049, the terms of which are hereby approved and accepted by the Contractholder to take effect on the Effective Date specified in the Contract.

It is agreed that this Application supersedes any application for this Contract previously signed by the Contractholder.

Executed at Oakland, CA Contractholder

on 4-4-07 by Melvin L. Stanton
(Signature and Title)

Agent: ____________________

Countersignature: ____________________
(Resident Licensed Agent Where Required)

This copy is part of the entire Contract and a duplicate original of this Application is to be returned to New York Life.

New York Life Insurance Company

A Mutual Company Founded in 1845

51 Madison Avenue, New York, NY 10010

Contractholder: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AS TRUSTEE FOR THE UNIVERSITY OF CALIFORNIA ICC FUND

Effective Date: February 28, 2006

Date of Issue: March 1, 2006

Contract Number: GA-34049

NEW YORK LIFE WILL PAY the benefits provided by this Contract, subject to its terms and conditions.

This Contract is made in consideration of the payment of Contributions in accordance with its terms and conditions.

Plan means the University of California Tax-Deferred 403(b) Plan and 401(a) Defined Contribution Plan as amended to the Effective Date hereof. New York Life is not a party to the Plan and its obligations are limited to those set forth in this Contract.

The benefits, terms and conditions set forth on the following pages are a part of this Contract.

IN WITNESS WHEREOF, New York Life has caused this Contract to be executed as of its Date of Issue.

PARTICIPATING GROUP ANNUITY CONTRACT
FIXED DOLLAR ACCOUNT
ANNUITY BENEFITS PAYABLE IN FIXED DOLLAR AMOUNTS

Frederick J. Sievert
President

Susan A. Thrope
Secretary

Patricia A. Kerrigan
Countersignature

CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION ACT SUMMARY DOCUMENT AND DISCLAIMER

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. **However, insurance companies and their agents are prohibited by law from using the existence of the Guarantee Association to induce you to purchase any kind of insurance policy.**

Policyholders with additional questions should first contact their insurer or agent or may then contact

California Life and Health Insurance Guarantee Association P.O. Box 16860 Beverly Hills, CA 90209 (323) 782-0182	or	Consumer Service Division California Department of Insurance 300 South Spring Street Los Angeles, CA 90013 (800) 927-4357 or (213) 897-8921

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

- Their insurer was not authorized to do business in this state when it issued the policy of contract;
- Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;

Section 1. Contractual Account

Section 1.1 CONTRIBUTIONS. Contributions are amounts received by New York Life at its Home Office in New York City, in immediately available funds, including any amounts transferred from other contracts which will be treated as new contributions under this Contract. Contributions will be specified in a separate Contract Specification Appendix to be attached to this Contract.

A grace period of 31 days will be allowed to pay all contributions due under the terms and conditions of this Contract.

Section 1.2 FIXED DOLLAR ACCOUNT. Contributions when received will be credited to the Fixed Dollar Account maintained under this Contract. The amount in the Fixed Dollar Account at any time will be equal to the sum of all amounts credited to that account, less the sum of all amounts withdrawn from that account.

Amounts credited to the Fixed Dollar Account will be:

i. contributions made as specified in each Contract Specification Appendix;

ii. interest credited pursuant to Section 1.3; and

iii. dividends, if any, credited pursuant to Section 3.3.

Amounts withdrawn from the Fixed Dollar Account will be:

i. amounts withdrawn as expense charges pursuant to Section 1.4;

ii. amounts withdrawn pursuant to the provisions of Sections 1.8, 1.9 or 1.10;

iii. amounts withdrawn in accordance with the Schedule of Payments in each Contract Specification Appendix; and

iv. amounts withdrawn in order to provide pension benefits pursuant to Section 2.

Section 1.3 INTEREST. As of the last day of each calendar month or as of the Maturity Date, if earlier, New York Life will credit interest to the Fixed Dollar Account. Interest will be credited from the date of deposit up to, but not including, the date of withdrawal from the Contract. Such interest will be credited at the Annual Interest Rate, compounded daily, equivalent to an effective annual rate, based on actual days in the Contract Year, as specified in each Contract Specification Appendix, on the balance in the Fixed Dollar Account at the beginning of each day plus all contributions, if any, less amounts withdrawn, if any, on such day.

Section 1.4 EXPENSE CHARGE. As of the last day of each calendar month or as of the Maturity Date, if earlier, New York Life will withdraw from the Fixed Dollar Account as an administrative expense charge an amount determined by applying to the average balance in the Fixed Dollar Account for such calendar month or portion thereof, expenses at the Annual Expense Charge Rate as specified in each Contract Specification Appendix. Expenses will be exclusive of the date of withdrawal.

Section 1.5 EFFECTIVE NET ANNUAL YIELD. The Effective Net Annual Yield will be specified in each Contract Specification Appendix.

Section 1.6 CONTRACT PERIOD. The Contract Period will be specified in each Contract Specification Appendix.

Section 1.7 MATURITY DATE. The Maturity Date will be specified in each Contract Specification Appendix.

Section 1.8 MATURITY AMOUNT. As of the Maturity Date, New York Life will pay as the Maturity Amount the then balance in the Fixed Dollar Account pursuant to Section 1.2. Payment will be made in a single sum in immediately available funds to the Contractholder or to such other entity as the Contractholder may designate in writing.

Section 1.9 PAYMENTS TO THE CONTRACTHOLDER. The Contractholder, acting in accordance with the provisions of the Plan, will direct New York Life by written notice at any time prior to the end of the Contract Period to pay an amount to the Contractholder, or to any other entity as directed by the Contractholder in writing, from the Fixed Dollar Account. Any such amount will be for the purpose of providing benefits for Plan participants upon death, retirement, disability or termination of employment occurring in the normal course of business. Active participants may also elect hardship, in-service and loan withdrawals in accordance with the provisions of the Plan. Withdrawals due to events initiated by the Plan Sponsor including, but not limited to, total or partial plan termination, mergers, spin-offs, lay-offs, early retirement incentive programs, sales or closings of all or part of the Plan Sponsor's operations, bankruptcy or receivership will be subject to a 20% lifetime limitation as described in the next paragraph.

The amount to be paid for such events or other events initiated by the Plan Sponsor can not be more than 20% of the total amount held under this Contract, as of the date of withdrawal. In the event that the Contractholder requests an amount to be paid because of events initiated by the Plan Sponsor, as described above, more than once during the Contract Period, such amounts paid during the Contract Period shall be aggregated for the purpose of determining this 20% lifetime limitation.

New York Life will withdraw from the Fixed Dollar Account the amount to be paid to the Contractholder on the later of (a) the date of receipt of written notice or (b) the date specified in such notice, provided that

i. the following order of each withdrawal from the total assets of the Plan held in or allocated to the Guaranteed Investment Contract Fund has been adhered to by the Contractholder:

   (a) first, from current cash flow to the extent sufficient;

   (b) second, from the Guaranteed Investment Contract/Contract Specification Appendix receiving current cash flow to the extent sufficient;

   (c) third, from all other Guaranteed Investment Contracts and Contract Specification Appendices on a last-in, first-out basis; and

ii. the amount withdrawn from the Fixed Dollar Account on account of such payment pursuant to this Section 1.9 will not exceed the balance in the Fixed Dollar Account as of the date of withdrawal, reduced by any amount necessary to recover charges applicable pursuant to Section 1.4.

In the event of a merger, spin-off or sale of a portion of the Plan Sponsor's operations covered under this Contract, the Contractholder may direct New York Life by written notice to issue a contract for a successor plan sponsor provided an initial minimum contribution requirement of $100,000.00 can be satisfied. Such contract will be substantially similar in all respects to the provisions of this Contract. New York Life will transfer, on a book value basis, and without regard to the provisions of Section 2.1, the assets attributable to such successor plan from this Contract to the newly issued contract, as directed by the Contractholder. Such a withdrawal will not be considered to be a withdrawal in the context of the above mentioned limitation.

New York Life will bill the Contractholder, or successor plan sponsor as directed by the Contractholder, for an administrative charge, as negotiated with the Contractholder, for the issuance of any such contract. Such administrative charge will be due within 60 days of the effective date of the newly issued contract and will be withdrawn from the Fixed Dollar Account by New York Life in the event such amount is not paid by such due date.

The Contractholder will furnish New York Life with such information as New York Life may reasonably require in connection with requests for withdrawals under this Section 1.9.

Section 1.10 TRANSFER TO OTHER FUNDING MEDIA. The Contractholder will direct New York Life by written notice at any time prior to the end of the Contract Period to transfer an amount to such other funding media as specified in Appendix A to this Contract pursuant to elections made by Plan participants under the Plan. Such transfers will be permitted monthly. No direct transfers to competing investment options, such as fixed income funds including, but not limited to, guaranteed investment contracts, money market funds or bond funds with a duration of less then 3 years, are permitted under this

Contract unless otherwise specified in Appendix A. Any transfers out of the Fixed Dollar Account must first go through an option specified in Appendix A and reside there for at least 30 days or one month before transfer to an option not specified in Appendix A.

New York Life will withdraw from the Fixed Dollar Account the amount to be transferred on the later of (a) the date of receipt of written notice or (b) the date specified in such notice, provided that

i. the following order of each transfer from the total assets of the Plan held in or allocated to the Guaranteed Investment Contract Fund has been adhered to by the Contractholder:

   (a) first, from current cash flow to the extent sufficient;

   (b) second, from the Guaranteed Investment Contract/Contract Specification Appendix receiving current cash flow to the extent sufficient;

   (c) third, from all other Guaranteed Investment Contracts and Contract Specification Appendices on a last-in, first-out basis; and

ii. the amount withdrawn from the Fixed Dollar Account on account of such transfer pursuant to this Section 1.10 will not exceed the balance in the Fixed Dollar Account as of the date of withdrawal, reduced by any amount necessary to recover charges applicable pursuant to Section 1.4.

The Contractholder will furnish New York Life with such information as New York Life may reasonably require in connection with requests for transfers under this Section 1.10.

Section 1.11 CONTRACT TERMINATION. Each Contract Specification Appendix will terminate at the end of the Contract Period as set forth in each Contract Specification Appendix and may not be terminated prior to the end of that Contract Period.

Section 2. Pension Benefits

Section 2.1 GENERAL. The Contractholder may elect to provide guaranteed pension benefits pursuant to the Plan by directing New York Life, in writing, to withdraw from the Fixed Dollar Account the amounts necessary to provide such pension benefits through the purchase of immediate annuities, subject to the provisions of this Section. Any annuity benefit purchased will not be less than that which would be provided by the application of such amount to purchase a single consideration immediate annuity offered by New York Life at that time for the same class of contract. In no event, however, will any annuity purchase rate be greater than the appropriate rate in the attached Table of Annuity Purchase Rates. No annuity, however, will be provided if the total amount required to purchase such annuity would be less than any minimum amount determined by any applicable law or regulation, in which event the total amount otherwise required for purchase will be paid in cash to the individual.

Section 2.2 REQUIRED INFORMATION. For each person for whom an immediate annuity is to be purchased, the Contractholder will specify in writing to New York Life at its Home Office in New York City the amount and form of pension benefit, the date payment is to begin, proof of age and such other information as New York Life may require.

Section 2.3 FORM AND AMOUNT OF BENEFIT PAYMENT. New York Life will provide a pension benefit in the form of a life annuity that provides monthly payments ending with the last payment due on or before the person's death or in any other form of benefit as specified pursuant to Section 2.2 and which is agreeable to New York Life. The amount of any annuity benefit may not be less than $25.00 per month.

Section 2.4 CERTIFICATES. New York Life will issue to the Contractholder for delivery to each person for whom an annuity has been purchased an individual retirement certificate setting forth the amount and terms of payment of such benefit.

Section 2.5 MISSTATEMENTS. If any facts on which the purchase of an annuity was based have been misstated, the amount withdrawn from the Fixed Dollar Account pursuant to Section 2.1, or the amount of such benefit payments, or both, will be adjusted. Overpayments by New York Life will be charged against and underpayments will be added to any such benefit payments payable thereafter.

Section 2.6 LIABILITY OF NEW YORK LIFE. New York Life makes no representation and assumes no liability as to the sufficiency of Contributions or of the Fixed Dollar Account for the benefits to be provided under the Plan. The liability of New York Life is for the payment of benefits as directed by the Contractholder and on the basis of the correct withdrawal from the Fixed Dollar Account in accordance with the terms of this Contract.

Section 3. General Provisions

Section 3.1 CONTRACT. This Contract, the Application for it, and each Contract Specification Appendix, copies of which will be attached, constitute the entire Contract. No modification of this Contract, other than one resulting from the exercise of a right expressly reserved to New York Life will be valid unless evidenced by an amendment to the Contract signed by the Contractholder and by an Executive Officer of New York Life.

Section 3.2 ASSIGNABILITY. The Contractholder may not assign this Contract or any interest therein and any attempted assignment will be null and void. A transfer of ownership to a new Contractholder as set forth in Section 1.9 will not be deemed to be an assignment of the Contract provided the Contract is held as an asset of the same Plan or a successor plan which has assumed some or all of the assets and liabilities of this Plan pursuant to a merger, consolidation or spin-off.

Section 3.3 DIVIDENDS. As of the last day of each Contract Year, the divisible surplus, if any, ascertained and apportioned to this Contract as a dividend will be paid to the Contractholder or to such other entity as the Contractholder may designate in writing.

Section 3.4 PLAN AMENDMENTS. The Contractholder agrees to notify New York Life of any amendments to the Plan that take effect after the Effective Date of this Contract and New York Life agrees to respond to the Contractholder within 45 days of receipt of such amendment. If New York Life reasonably determines that the amendment would have a potential adverse financial, legal or administrative impact on the obligations of the Company under this Contract, then the Contractholder and New York Life shall negotiate in good faith a mutually acceptable alternative to avoid an adverse financial, legal or administrative impact. If the Contractholder and New York Life are unable to negotiate a mutually acceptable alternative within 60 days then New York Life reserves the right to reduce the effective Annual Interest Rate then in effect under each applicable Contract Specification Appendix.

Amendments that could have an adverse financial, legal or administrative impact on the obligations of the Company under this Contract include but are not limited to the following events:

1. A plan change that materially alters the amount of contributions or withdrawals to be directed in or out of this Contract.

2. A change in the Plan's investment options.

3. A change in the frequency of transfer among the Plan's investment options.

Section 3.5 PLAN QUALIFICATION. This Contract is issued to the Contractholder with the understanding that the Plans fulfill the requirements of Section 403(b) and 401(a) of the Internal Revenue Code, as amended. Any written direction by the Contractholder to New York Life to make payment to another entity will also specify that such payment will not impair the Plans' status under Section 403(b) and 401(a) of the Internal Revenue Code, as amended.

Appendix A

Listing of funding media to which transfers pursuant to Section 1.10 may be made:

Equity Fund

Bond Fund

TIPS Fund

Balanced Growth Fund

Table Of Life Annuity Purchase Rates

The following purchase rates represent the amount required on a non-participating basis to purchase an immediate Life Annuity of $1.00 a month beginning on the date of purchase.

Age	Purchases Made Prior To The Fifth Contract Anniversary	Age	Purchases Made Prior To The Fifth Contract Anniversary
50	$ 222.50	60	$ 183.67
51	219.02	61	179.23
52	215.46	62	174.69
53	211.81	63	170.05
54	208.08	64	165.32
55	204.26	65	160.51
56	200.34	66	155.65
57	196.33	67	150.75
58	192.22	68	145.83
59	188.00	69	140.92
		70	136.03

New York Life may change the purchase rates in this table for purchases made on or after the fifth Contract anniversary, but not more often than once every five years.

Age for the purpose of this table is age nearest birthday at annuity purchase date.

New York Life will calculate annuity purchase rates for other ages and annuity forms on the same actuarial basis, and will furnish such rates on request.

The rates in this table are exclusive of any state or local premium tax and will be increased to recognize appropriately any such tax paid or payable by New York Life with respect to annuity benefits purchased hereunder.

Rate Table Code: 139100

Contract Specification Appendix No. 001

THE SPECIFICATIONS HEREIN APPLY ONLY TO THIS APPENDIX:

Contractholder: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AS TRUSTEE FOR THE UNIVERSITY OF CALIFORNIA ICC FUND

Contract Number: GA-34049 Effective Date: 02/28/06

Contract Period: 02/28/06 to 12/31/10 (Maturity Date)

Contract Years will be determined from the Effective Date, which is the first day of the first Contract Year. Each such Contract Year is a period of 12 months.

Open Window Period: 02/28/06 to N/A

Contributions:

Contributions in accordance with Section 1.1 of this Contract will consist of a single sum contribution to be received on 2/28/2006 totaling $25,000,000.00, which represents available proceeds.

Annual Interest Rate: 5.35%

Annual Expense Charge Rate: 0.20%

Effective Net Annual Yield: 5.15%

Schedule of Payments:

Dates	Amounts
12/31/07	25% of the Fixed Dollar Account Balance
12/31/09	33% of the Fixed Dollar Account Balance
12/31/10	100% of the Fixed Dollar Account Balance

All provisions and conditions of the Contract not inconsistent with the provisions and conditions of this Appendix will remain in effect.

Frederick J. Sievert
President

Susan A. Thrope
Secretary

Patricia A. Kerrigan
Countersignature

Accepted for the Contractholder: ______________________
(Signature and Title)

On ____________________ ______________________
(Witness)

Application

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AS TRUSTEE FOR THE UNIVERSITY OF CALIFORNIA ICC FUND as Contractholder whose Main Office Address is Office of the Treasurer, 1111 Broadway, Suite 1400, Oakland, CA, 94607-9828 hereby makes application to New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010, for Group Annuity Contract No. GA-34049, the terms of which are hereby approved and accepted by the Contractholder to take effect on the Effective Date specified in the Contract.

It is agreed that this Application supersedes any application for this Contract previously signed by the Contractholder.

Executed at ______________________________ Contractholder

on ____________________ by ____
(Signature and Title)

Agent: ____

Countersignature: ____
(Resident Licensed Agent Where Required)

This copy is part of the entire Contract and a duplicate original of this Application is to be returned to New York Life.