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**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**and**

**THE BANK OF NEW YORK TRUST COMPANY, N.A., as trustee**

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**SEVENTH SUPPLEMENTAL INDENTURE**

**Dated as of October 1, 2005**

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**\$308,450,000**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
GENERAL REVENUE BONDS**

**2005 SERIES G**

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THIS SEVENTH SUPPLEMENTAL INDENTURE, made and entered into as of the first day of October, 2005, by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a corporation organized and existing under and by virtue of Article IX, Section 9, of the Constitution of the State of California (herein called "The Regents"), and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to BNY Western Trust Company), a corporation duly organized and existing under and by virtue of the laws of the United States of America, having a principal office in San Francisco, California, and being qualified to accept and administer the trusts hereby created (herein called the "Trustee"),

WITNESSETH:

WHEREAS, The Regents has heretofore authorized the issuance of its General Revenue Bonds issued under an indenture, dated as of September 1, 2003, as heretofore supplemented (the "2003 Indenture") by and between The Regents and the Trustee, in such series as from time to time shall be established and authorized by The Regents;

WHEREAS, the 2003 Indenture provides that The Regents may from time to time establish series of Bonds by supplemental indenture, and that The Regents may issue and the Trustee may authenticate and deliver Bonds of any such series in such principal amount as shall be determined by The Regents, upon compliance with the provisions, and subject to the conditions, set forth in the 2003 Indenture;

WHEREAS, The Regents has now determined to use the proceeds of the sale of the 2005 Series G Bonds (hereinafter defined) to finance or refinance the acquisition and construction of certain facilities of the University of California, including, but not limited to student centers, recreation and events facilities, research facilities, bookstores, certain seismic retrofitting improvements and certain academic, administrative and other facilities of the University;

WHEREAS, in order to obtain funds for such purpose, The Regents desires to issue, sell and deliver \$308,450,000 aggregate principal amount of The Regents of the University of California General Revenue Bonds, 2005 Series G (the "2005 Series G Bonds"), all under and in accordance with the 2003 Indenture and this Seventh Supplemental Indenture (collectively, the "Indenture");

WHEREAS, the 2005 Series G Bonds and the Trustee's certificate of authentication to appear thereon, and assignment to appear thereon, shall be in substantially the form, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture, as set forth in Exhibit A, attached hereto;

WHEREAS, The Regents certifies that all acts and proceedings required by law necessary to make the 2005 Series G Bonds when executed by The Regents, authenticated and delivered by the Trustee and duly issued, the valid, legal and binding limited obligations of The Regents, payable out of General Revenues as provided in the Indenture, and to constitute this Seventh Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Seventh Supplemental Indenture have been in all respects duly authorized;

NOW THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and interest on, all Bonds at any time issued and Outstanding pursuant to the Indenture as from time to time supplemented and amended, and to secure the performance and observance of the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2005 Series G Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2005 Series G Bonds by the owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, The Regents covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective owners from time to time of the Bonds, as follows:

## **ARTICLE XVIII**

### **2005 SERIES G BONDS**

**SECTION 18.01**     **Definitions.** Unless the context otherwise requires, the terms defined in this Section 18.01 shall, for all purposes of the Indenture and this Seventh Supplemental Indenture, have the meanings herein specified. All other terms defined in the Indenture and used herein shall have the meanings assigned to such terms in the Indenture.

#### **Authorized Denomination**

"Authorized Denomination" means \$5,000 or any integral multiple thereof with respect to 2005 Series G Bonds.

#### **Beneficial Holder**

"Beneficial Holder" means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2005 Series G Bond, including, without limitation, any Persons holding bonds through nominees or depositories.

#### **FGIC**

"FGIC" means Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company, a New York stock insurance corporation, or any successor thereto.

#### **FGIC Insured 2005 Series G Bonds**

"FGIC Insured 2005 Series G Bonds" means the 2005 Series G Bonds maturing on May 15, 2019 through May 15, 2030, inclusive, and May 15, 2035 through May 15, 2039, inclusive.

### **FGIC 2005 Series G Policy**

"FGIC 2005 Series G Policy" means the municipal bond new issue insurance policy issued by FGIC insuring the payment when due of the principal of and interest on the FGIC Insured 2005 Series G Bonds as provided therein.

### **Interest Payment Date**

"Interest Payment Date" shall have the meaning as given in Section 18.03 of this Seventh Supplemental Indenture.

### **MBIA**

"MBIA" means MBIA Insurance Corporation, a stock insurance company incorporated under the laws of the State of New York, or any successor thereto.

### **MBIA Insured 2005 Series G Bonds**

"MBIA Insured 2005 Series G Bonds" means the 2005 Series G Bonds maturing on May 15, 2011 through May 15, 2018, inclusive, May 15, 2031 and May 15, 2033.

### **MBIA 2005 Series G Policy**

"MBIA 2005 Series G Policy" means the financial guaranty insurance policy issued by MBIA insuring the payment when due of the principal of and interest on the MBIA Insured 2005 Series G Bonds as provided therein.

### **Participating Underwriter**

"Participating Underwriter" means any of the original underwriters of the 2005 Series G Bonds required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, in connection with the offering of the 2005 Series G Bonds.

### **Record Date**

"Record Date" shall have the meaning as given in Section 18.03 of this Seventh Supplemental Indenture.

### **Seventh Supplemental Indenture**

"Seventh Supplemental Indenture" means this Seventh Supplemental Indenture, as executed by The Regents and the Trustee in accordance with the Indenture, and which is supplemental to the Indenture.

### **2005 Series G Bonds**

"2005 Series G Bonds" means The Regents of the University of California General Revenue Bonds, 2005 Series G, authorized under and secured by the 2003 Indenture and this Seventh Supplemental Indenture.

## 2005 Series G Projects

"2005 Series G Projects" means the real property and improvements thereon financed or refinanced with the 2005 Series G Bonds, a preliminary list of which is attached hereto as Exhibit B.

### SECTION 18.02 Authorization of 2005 Series G Bonds.

(A) A seventh series of Bonds to be issued under the Indenture is hereby created and authorized to be issued, and such Bonds are designated as "The Regents of the University of California General Revenue Bonds, 2005 Series G." The aggregate principal amount of 2005 Series G Bonds which may be issued and outstanding under the Indenture shall not exceed Three Hundred Eight Million Four Hundred Fifty Thousand Dollars (\$308,450,000), exclusive of Bonds executed and authenticated as provided in Section 2.08 of the Indenture.

(B) The 2005 Series G Bonds are authorized and issued to finance the 2005 Series G Projects and to pay for Costs of Issuance of the 2005 Series G Bonds.

(C) The 2005 Series G Bonds shall be equally and ratably secured with all Bonds authorized in the Indenture to be issued or to be subsequently Outstanding thereunder, without preference, priority or distinction (other than with respect to terms of maturity, interest payment dates, sinking fund payments or provisions for redemption) of any one Bond over any other or of the Bonds of any one Series over any other Series, except as otherwise provided in the Indenture.

### SECTION 18.03 Terms of 2005 Series G Bonds.

(A) The 2005 Series G Bonds shall bear interest at the rates per annum, payable semiannually on May 15 and November 15 in each year (each, an "Interest Payment Date"), commencing May 15, 2006, until payment of the principal of said Bonds and shall mature on May 15 in each of the years, and in the amounts, as follows:

<u>Date Maturing</u> <u>May 15</u>	<u>Principal Amount</u>	<u>Rate</u>
2006	\$ 265,000	3.00%
2007	525,000	3.00
2008	540,000	3.00
2009	555,000	3.125
2010	575,000	3.25
2011	595,000	3.35
2012	615,000	3.45
2013	1,735,000	3.50
2014	6,715,000	4.00
2015	6,980,000	4.00
2016	7,260,000	5.00
2017	7,625,000	5.00
2018	8,005,000	5.00
2019	7,585,000	5.00

2020	7,965,000	5.00
2021	8,365,000	5.00
2022	8,780,000	4.375
2023	9,165,000	5.00
2024	9,625,000	5.00
2025	10,105,000	5.00
2026	10,610,000	4.75
2027	11,115,000	4.75
2028	11,640,000	4.75
2029	12,195,000	4.75
2030	12,775,000	4.75
2031	13,380,000	4.75
2033*	28,730,000	5.00
2035*	31,640,000	4.75
2037*	34,715,000	4.75
2039*	38,070,000	4.625

\*Term Bond

The principal of the 2005 Series G Bonds shall be payable at the corporate trust office of the Trustee in San Francisco, California, in lawful money of the United States of America. The interest thereon is payable to the person whose name appears on the bond registration books of the Trustee as the registered owner thereof as of the close of business on the first day of the month in which the Interest Payment Date occurs (the "Record Date"), whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such registered owner at his or her address as it appears on such registration books.

(B) The 2005 Series G Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations. The 2005 Series G Bonds shall be substantially in the form set forth in Exhibit A.

(C) The 2005 Series G Bonds shall be dated as of the date of original delivery, and shall be registered on the date of registration noted on such Bond by the Trustee. Each 2005 Series G Bond shall bear interest from the Interest Payment Date next preceding the date of registration thereof unless such date of registration is an Interest Payment Date, in which event it shall bear interest from the date of registration thereof, or unless it is registered on or before May 15, 2006, in which event it shall bear interest from the date of original delivery. The 2005 Series G Bonds may be exchanged and transferred as provided in Article II of the Indenture, provided that no exchange or transfer need be made by the Trustee during the period beginning on the first day of the month in which the Interest Payment Date occurs and ending on such Interest Payment Date.

#### **SECTION 18.04      Redemption of 2005 Series G Bonds.**

(A) The 2005 Series G Bonds maturing on or before May 15, 2013 are not subject to optional redemption. The 2005 Series G Bonds maturing on or after May 15, 2014 are subject to redemption prior to their respective stated maturities, at the option of The Regents

from lawfully available funds deposited in the 2005 Series G Optional Redemption Subaccount of the Optional Redemption Account, established by The Regents pursuant to subparagraph (D) of Section 18.06 herein, as a whole or in part (in such order of maturity as shall be selected by the Trustee upon direction by The Regents and by lot within a maturity) on any date, on or after May 15, 2013 at the following redemption prices (expressed as percentages of the principal amount of 2005 Series G Bonds called for redemption) together with interest accrued thereon to the date fixed for redemption:

<b>Redemption Period (Dates Inclusive)</b>	<b>Redemption Price</b>
May 15, 2013 to May 14, 2014	101%
May 15, 2014 and thereafter	100%

(B) The 2005 Series G Bonds maturing on May 15, 2033, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from Mandatory Sinking Account Payments in the following amounts, commencing on May 15, 2032 according to the following schedule:

<b>Year</b>	<b>Mandatory Sinking Account Payment</b>
2032	\$14,015,000
2033*	14,715,000

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\* Final Maturity

(C) The 2005 Series G Bonds maturing on May 15, 2035, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from Mandatory Sinking Account Payments in the following amounts, commencing on May 15, 2034 according to the following schedule:

<b>Year</b>	<b>Mandatory Sinking Account Payment</b>
2034	\$15,455,000
2035*	16,185,000

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\* Final Maturity

(D) The 2005 Series G Bonds maturing on May 15, 2037, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from Mandatory Sinking Account Payments in the following amounts, commencing on May 15, 2036 according to the following schedule:



Year	Mandatory Sinking Account Payment
2036	\$16,955,000
2037*	17,760,000

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\* Final Maturity

(E) The 2005 Series G Bonds maturing on May 15, 2039, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from Mandatory Sinking Account Payments in the following amounts, commencing on May 15, 2038 according to the following schedule:

Year	Mandatory Sinking Account Payment
2038	\$18,605,000
2039*	19,465,000

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\* Final Maturity

(F) Whenever provision is made for the redemption of a portion of the 2005 Series G Bonds of a maturity date, the Trustee shall select the 2005 Series G Bonds to be redeemed by lot.

(G) Except as in this Section otherwise provided, the redemption of 2005 Series G Bonds shall be subject to the provisions of Article IV of the Indenture.

**SECTION 18.05     Issuance of 2005 Series G Bonds.** The Trustee, forthwith upon the execution and delivery of this Seventh Supplemental Indenture and of the other documents required by Section 3.01 of the Indenture, or from time to time thereafter, upon the execution and delivery to it by The Regents of the 2005 Series G Bonds, and without any further action on the part of The Regents, shall authenticate 2005 Series G Bonds in the aggregate principal amount of Three Hundred Eight Million Four Hundred Fifty Thousand Dollars (\$308,450,000) and shall deliver them to or upon the Written Order of The Regents.

**SECTION 18.06     Application of Proceeds; Establishment of 2005 Series G Funds.**

(A) The proceeds received upon the sale of the 2005 Series G Bonds shall be applied or deposited as follows:

(1) \$266,326.43 shall be transferred to The Regents for deposit in the 2005 Series G Costs of Issuance Fund established by The Regents pursuant to subparagraph (B) of this Section; and

(2) \$310,650,749.90 shall be transferred to The Regents for deposit in the 2005 Series G Construction Account established pursuant to subparagraph (C) of this Section.

(B) 2005 Series G Costs of Issuance Fund. The Regents shall establish and maintain a fund designated as the "2005 Series G Costs of Issuance Fund." Moneys in the 2005 Series G Costs of Issuance Fund shall be used to pay Costs of Issuance with respect to the 2005 Series G Bonds, and at the end of six months from the date of issuance of the 2005 Series G Bonds, or upon earlier determination by The Regents that the amounts in said fund are no longer required for payment of Costs of Issuance, said fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Trustee for deposit in the Debt Service Fund.

(C) 2005 Series G Construction Account. The Regents shall establish and maintain a separate account designated as the "2005 Series G Construction Account." Moneys in the 2005 Series G Construction Account shall be used and withdrawn by The Regents to pay the cost of the acquisition, construction, improvement and/or renovation of the 2005 Series G Projects, including reimbursements of any sums advanced by The Regents for such purposes and refunding borrowings of The Regents incurred for such purposes, and to pay interest on the 2005 Series G Bonds in such amounts and on such dates as determined by The Regents.

(D) 2005 Series G Optional Redemption Subaccount. The Trustee shall establish and maintain a subaccount designated as the "2005 Series G Optional Redemption Subaccount." Moneys in the 2005 Series G Optional Redemption Subaccount shall be used for the redemption or purchase of 2005 Series G Bonds from money allocable to the 2005 Series G Bonds and required, pursuant to Section 18.04(A) of this Seventh Supplemental Indenture, to be deposited into such subaccount.

**SECTION 18.07      Tax Covenants.** The Regents will not make any use of the proceeds of the 2005 Series G Bonds or any other funds of The Regents which will cause any 2005 Series G Bond to be an "arbitrage bond" subject to federal income taxation by reason of Section 148 of the Code, or a "federally-guaranteed obligation" under Section 149(b) of the Code, or a "private activity bond" as described in Section 141 of the Code. To that end, The Regents, with respect to such proceeds and such other funds will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

If at any time The Regents is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or under this Indenture, The Regents shall so instruct the Trustee or the appropriate officers of the Regents in writing, and the Trustee or the appropriate officers of The Regents, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of The Regents set forth above, The Regents will comply with the Tax Certificate and will cause the Trustee to comply with the Tax Certificate.

**SECTION 18.08      Terms of 2005 Series G Bonds Subject to the Indenture.** Except as in this Seventh Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Seventh Supplemental Indenture and to the 2005 Series G Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same

conform to this Seventh Supplemental Indenture. As supplemented by this Seventh Supplemental Indenture, the Indenture is hereby confirmed.

**SECTION 18.09      MBIA Payment Provisions.**

As long as the MBIA 2005 Series G Policy shall be in full force and effect, The Regents hereby covenants to send written notice to the Trustee on or before the third Business Day prior to the payment date on the MBIA Insured 2005 Series G Bonds in the event The Regents determines there will be an insufficient amount in the Debt Service Fund on such payment date to pay the principal of and interest on the MBIA Insured 2005 Series G Bonds on such payment date, and The Regents and the Trustee additionally agree to comply with the following provisions:

(A) In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the MBIA Insured 2005 Series G Bonds, after taking into account the right of The Regents to transfer funds to the Trustee for deposit in the Debt Service Fund on or before each payment date on the MBIA Insured 2005 Series G Bonds and in reliance on the covenant of The Regents contained in this Section, the Trustee has not received sufficient moneys to pay all principal of and interest on the MBIA Insured 2005 Series G Bonds due on the second following or following, as the case may be, Business Day, the Trustee shall immediately notify MBIA or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(B) If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify MBIA or its designee.

(C) In addition, if the Trustee has notice that any Holder of MBIA Insured 2005 Series G Bonds has been required to disgorge payments of principal or interest on the MBIA Insured 2005 Series G Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify MBIA or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(D) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the MBIA Insured 2005 Series G Bonds as follows:

(1) If and to the extent there is a deficiency in amounts required to pay interest on the MBIA Insured 2005 Series G Bonds, the Trustee shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Policy (the "Insurance Paying Agent/Trustee"), in form satisfactory to the Insurance Paying Agent/Trustee, an instrument appointing MBIA as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to MBIA of the claims for interest to which such deficiency relates and which are paid by MBIA, (b) receive as designee of the respective Holders (and not as Trustee) in accordance with the tenor of the Policy payment from the Insurance Paying Agent/Trustee with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

(2) If and to the extent of a deficiency in amounts required to pay principal of the MBIA Insured 2005 Series G Bonds, the Trustee shall (a) execute and deliver to the Insurance Paying Agent/Trustee in form satisfactory to the Insurance Paying Agent/Trustee an instrument appointing MBIA as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to MBIA of any of the MBIA Insured 2005 Series G Bond surrendered to the Insurance Paying Agent/Trustee of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent/Trustee is received), (b) receive as designee of the respective Holders (and not as Trustee) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent/Trustee, and (c) disburse the same to such Holders.

(E) Payments with respect to claims for interest on and principal of MBIA Insured 2005 Series G Bonds disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of The Regents with respect to such MBIA Insured 2005 Series G Bonds, and MBIA shall become the owner of such unpaid MBIA Insured 2005 Series G Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

#### **SECTION 18.10      FGIC Payment Provisions.**

As long as the FGIC 2005 Series G Policy shall be in full force and effect, The Regents hereby covenants to send written notice to the Trustee on or before the third Business Day prior to the payment date on the FGIC Insured 2005 Series G Bonds in the event The Regents determines there will be an insufficient amount in the Debt Service Fund on such payment date to pay the principal of and interest on the FGIC Insured 2005 Series G Bonds on such payment date, and The Regents and the Trustee additionally agree to comply with the following provisions:

(A) If, on the third day preceding any interest payment date for the FGIC Insured 2005 Series G Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the FGIC Insured 2005 Series G Bonds due on such date, after taking into account the right of The Regents to transfer funds to the Trustee for deposit in the Debt Service Fund on or before each payment date on the FGIC Insured 2005 Series G Bonds and in reliance on the covenant of The Regents contained in this Section, the Trustee shall immediately notify FGIC and U.S. Bank Trust National Association, New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, The Regents has not provided the amount of such deficiency, the Trustee shall simultaneously make available to FGIC and to the Fiscal Agent the registration books for the FGIC Insured 2005 Series G Bonds maintained by the Trustee. In addition:

(i) The Trustee shall provide FGIC with a list of the Bondholders entitled to receive principal or interest payments from FGIC under the terms of the FGIC 2005 Series G Policy and shall make arrangements for FGIC and its Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from FGIC and (2) to pay principal of the FGIC Insured 2005 Series G Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from FGIC; and

(ii) The Trustee shall, at the time it makes the registration books available to FGIC pursuant to (i) above, notify Bondholders entitled to receive the payment of principal of or interest on the FGIC Insured 2005 Series G Bonds from FGIC (1) as to the fact of such entitlement, (2) that FGIC will remit to them all or part of the interest payments coming due subject to the terms of the FGIC 2005 Series G Policy, (3) that, except as provided in paragraph (B) below, in the event that any Bondholder is entitled to receive full payment of principal from FGIC, such Bondholder must tender his FGIC Insured 2005 Series G Bond with the instrument of transfer in the form provided on the FGIC Insured 2005 Series G Bond executed in the name of FGIC, and (4) that, except as provided in paragraph (B) below, in the event that such Bondholder is entitled to receive partial payment of principal from FGIC, such Bondholder must tender his FGIC Insured 2005 Series G Bond for payment first to the Trustee, which shall note on such FGIC Insured 2005 Series G Bond the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of FGIC, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the FGIC 2005 Series G Policy.

(B) In the event that the Trustee has notice that any payment of principal of or interest on a FGIC Insured 2005 Series G Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to FGIC, notify all Bondholders of FGIC Insured 2005 Series G Bonds that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from FGIC to the extent of such recovery, and the Trustee shall furnish to FGIC its records evidencing the payments of principal of and interest on the FGIC Insured 2005 Series G Bonds which have been made by the Trustee and subsequently recovered from Bondholders of FGIC Insured 2005 Series G Bonds, and the dates on which such payments were made.

(C) FGIC shall, to the extent it makes payment of principal of or interest on the FGIC Insured 2005 Series G Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the FGIC 2005 Series G Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note FGIC's rights as subrogee on the registration books maintained by the Trustee upon receipt from FGIC of proof of the payment of interest thereon to the Bondholders of such FGIC Insured 2005 Series G Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note FGIC's rights as subrogee on the registration books for the FGIC Insured 2005 Series G Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Bondholders of such FGIC Insured 2005 Series G Bonds. Notwithstanding anything in this Seventh Supplemental Indenture or the FGIC Insured 2005 Series G Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to FGIC to the extent that FGIC is a subrogee with respect thereto.

**SECTION 18.11 Article and Section Headings.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Seventh Supplemental Indenture.

**SECTION 18.12    Execution in Several Counterparts.**    This Seventh Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as The Regents and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

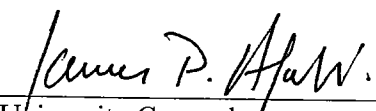
IN WITNESS WHEREOF, THE REGENTS OF THE UNIVERSITY OF CALIFORNIA has caused this Seventh Supplemental Indenture to be signed in its corporate name by its Chairman and its Associate Secretary, and THE BANK OF NEW YORK TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Seventh Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents, all as of this day and year first above written.

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA

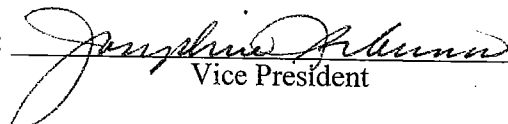
By:   
Chairman

By:   
Associate Secretary

Approved as to form:

  
University Counsel

THE BANK OF NEW YORK TRUST  
COMPANY, N.A., as Trustee

By:   
Vice President

**EXHIBIT A**  
**FORM OF 2005 SERIES G BOND**

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**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**  
**GENERAL REVENUE BONDS, 2005 SERIES G**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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%

May 15, \_\_\_\_\_

REGISTERED OWNER:    CEDE & CO.

PRINCIPAL SUM:

DOLLARS

The Regents of the University of California, a corporation organized and existing under Article IX, Section 9, of the Constitution of the State of California (herein called "The Regents"), for value received, hereby promises to pay (but only out of General Revenues as hereinafter provided) to the registered owner referred to above or registered assigns on the maturity date referred to above (subject to any right of prior redemption hereinafter expressly reserved) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of registration of this Bond (unless such date of registration is an interest payment date, in which event it shall bear interest from such date of registration, or unless this Bond is registered on or before May 15, 2006, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above (based on a 360-day year consisting of twelve 30-day months), payable on May 15, 2006, and semiannually thereafter on each May 15 and November 15.

The principal or redemption price hereof is payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York Trust Company, N.A. (as successor in interest to BNY Western Trust Company) (herein called the "Trustee"), in San Francisco, California, and interest shall be paid by check mailed to the person in whose name this Bond is registered as of the close of business on the first day of the month in which an interest payment date occurs, at the address of such registered owner shown on the books of the Trustee.

This Bond is one of a duly authorized issue of Bonds of The Regents designated as "The Regents of the University of California General Revenue Bonds" (herein called the



"Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, of the series and designation indicated on the face hereof, which issue of Bonds consists or may consist of one or more series, of varying dates, numbers, interest rates and other provisions as in said Indenture provided, all issued under an indenture, dated as of September 1, 2003, by and between The Regents and the Trustee, as heretofore supplemented and as supplemented by a Seventh Supplemental Indenture, dated as of October 1, 2005, by and between The Regents and the Trustee (as so supplemented, the "Indenture"). This Bond, together with all other Bonds issued under the Indenture, is authorized to be issued pursuant to the powers and authority of The Regents contained in Article IX, Section 9 of the Constitution of the State of California. The Bonds are limited obligations of The Regents to which The Regents is obligated to apply only the General Revenues (herein called the "General Revenues") as defined in, and only to the extent required by, the Indenture, to the payment of the principal of and interest and premium, if any, on the Bonds. This Bond is not a lien, charge or liability against the State of California or against The Regents or against the property or funds of either, except to the extent of the pledge of the General Revenues, as provided by the Indenture. Under the Indenture, the pledge and lien on General Revenues is junior to the pledge and lien of certain other indebtedness of The Regents, and the Indenture permits The Regents to incur additional indebtedness or obligations payable from General Revenues, including additional indebtedness or obligations secured by a pledge and lien on General Revenues senior in priority, on a parity with, or subordinate to, the pledge and lien of the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of The Regents thereunder, to all of the provisions of which Indenture the owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture and the rights and obligations of The Regents and the Trustee and the owners of the Bonds may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided, however, that no such modification or amendment shall (1) extend the stated maturity of this Bond or reduce the rate of interest hereon, or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, without the consent of the owner hereof, or (2) reduce the percentage of owners of Bonds Outstanding whose consent is required for the execution of a supplemental indenture, without the consent of the owners of all Bonds then Outstanding.

The 2005 Series G Bonds are subject to redemption prior to maturity upon the conditions, at the times and at the redemption prices as set forth in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the owners of at least a majority in aggregate principal amount of the Bonds then outstanding.

The 2005 Series G Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, 2005 Series G Bonds may be

exchanged at the corporate trust office of the Trustee in San Francisco, California, for a like aggregate principal amount of Bonds of other authorized denominations. This Bond is transferable by the registered owner hereof, in person, or by its duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of the same series, authorized denomination or denominations and for the same aggregate principal amount, will be delivered to the transferee in exchange herefor. The registered owner hereof shall be deemed and regarded as the absolute owner hereof for all purposes.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and that the amount of this Bond, together with all other indebtedness of The Regents, does not exceed any limit prescribed by the Constitution or laws of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, THE REGENTS OF THE UNIVERSITY OF CALIFORNIA has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Chairman and its Secretary and its corporate seal to be imprinted or impressed hereon all as of the Original Issue Date.

THE REGENTS OF THE UNIVERSITY  
OF CALIFORNIA

By: \_\_\_\_\_  
Chairman

(Seal)

By: \_\_\_\_\_  
Secretary

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

FORM OF ASSIGNMENT

For value received \_\_\_\_\_ the  
undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the  
within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_  
attorney, to transfer the same on the Bond register of the Trustee with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Note: The signature(s) on this Assignment must  
correspond with the name(s) as written on  
the face of the Bond in every particular  
without alteration or enlargement or any  
change whatsoever.

Signature guaranteed by: \_\_\_\_\_

Note: Signature(s) guarantee must be made by an eligible guarantor  
institution (banks, stockbrokers, savings and loans association and  
credit unions with membership in an approved signature medallion  
program) pursuant to Securities and Exchange Commission Rule  
17Ad-15.

[For MBIA Insured 2005 Series G Bonds maturing on May 15, 2011 through May 15, 2018, inclusive, May 15, 2031 and May 15, 2033]

#### STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at The Bank of New York Trust Company, N.A. (as successor in interest to BNY Western Trust Company), San Francisco, California.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to The Bank of New York Trust Company, N.A. or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

\$81,640,000

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
GENERAL REVENUE BONDS, 2005 SERIES G  
(Insured Maturities due May 15, 2011 through May 15, 2018, inclusive,  
May 15, 2031 and May 15, 2033)

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations

in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

In the event the Insurer were to become insolvent, any claims arising under a policy of financial guaranty insurance are excluded from coverage by the California Insurance Guaranty Association, established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

MBIA INSURANCE CORPORATION

[For FGIC Insured 2005 Series G Bonds maturing on May 15, 2019 through May 15, 2030, inclusive, and May 15, 2035 through May 15, 2039, inclusive]

#### STATEMENT OF INSURANCE

Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the 2005 Series G Bonds maturing on May 15, 2019 through May 15, 2030, inclusive, and May 15, 2035 through May 15, 2039, inclusive (the "FGIC Insured 2005 Series G Bonds"), such policy being on file at the principal office of The Bank of New York Trust Company, N.A., as paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal or accreted value (if applicable) of and interest on the FGIC Insured 2005 Series G Bonds which is then due for payment and which the issuer of the FGIC Insured 2005 Series G Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to principal or accreted value (if applicable), the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal or accreted value (if applicable) of the FGIC Insured 2005 Series G Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the required payment of principal, accreted value or interest (as applicable) has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the borrower(s) of bond proceeds who at the time of nonpayment of a FGIC Insured 2005 Series G Bond is entitled under the terms of such FGIC Insured 2005 Series G Bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY  
doing business in California as FGIC Insurance Company

## **EXHIBIT B**

### **LIST OF 2005 SERIES G PROJECTS**

<b><u>Campus</u></b>	<b><u>Project Name</u></b>
Berkeley	Stanley Quantitative Biosciences and Bioengineering Facility
Davis	Veterinary Medicine Instructional Facility
Irvine	Campus Surge Building
Irvine	Cogeneration Addition to the Central Plant
Irvine	Natural Sciences Unit 2
Irvine	Student Center Expansion, Phase 4
Irvine	Computer Science Unit 3
Irvine	Biological Sciences Unit 3
Los Angeles	CNSI Court of Sciences Building
Los Angeles	Engineering 1 Replacement Building
Los Angeles	Wooden Complex Improvements
Los Angeles	Orthopaedic Hospital – J. Vernon Luck, Sr. M.D. Center
Los Angeles	Broad Art Center Seismic Reconstruction and Expansion
San Diego	Student Academic Services Facility
Santa Barbara	Student Resource Building
Santa Barbara	California Nanosystems Institute Building
Santa Cruz	Purchase and Improvement of Building at 2300 Delaware Avenue