

The University Foundation
California State University, Chico
Chico, California 95929-0246
(530) 898-6811



GIFT ANNUITY DISCLOSURE STATEMENT

June 2006

Thank you for your recent contribution to *The University Foundation, California State University, Chico* for a charitable gift annuity. Per the gift annuity agreement, guaranteed payments of the amount indicated will be made to named annuitants for their lifetime.

These payments are a general obligation of our organization, and are protected by our total net assets. As of June 30, 2005 our total unrestricted net assets are \$ 2,673,704 and they are invested in a balanced portfolio of professionally managed equities and bonds. We also maintain a Gift Annuity Reserve Fund valued at \$318,230, which is invested in accordance with the regulations of the California Department of Insurance.

The University Foundation, California State University, Chico was established in 1953. Responsibility for governing the organization is vested in a Board of Governors comprised of persons, who are community members, business professionals and university administrators.

Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this letter is provided to you in accordance with the requirements of that Act.

With a gift annuity, you simultaneously make a charitable gift and provide guaranteed payments for life to yourself and/or another person. The fact that you are making a charitable gift may entitle you to income, gift and estate tax deductions. However, because a charitable gift is involved, the annuity rates offered by The University Foundation are lower than those generally available through commercial annuities offered by insurance companies and other financial institutions.