

Citibank, N.A.  
333 West 34th Street, 2nd Floor  
New York, NY 10001



February 10, 2005

Transaction

Dormitory Authority of the State of New York  
515 Broadway  
Albany, New York 12207

Attn: Chief Financial Officer  
Tel: 518-257-3000  
Fax: 518-257-3100

Ladies and Gentlemen:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction (the "Transaction") entered into between Citibank, N.A., New York ("Party A") and Dormitory Authority of the State of New York ("Party B") on the Trade Date specified below. This Transaction does **not** constitute an "Insured Transaction" as defined in the Master Agreement specified below and it is therefore **not** subject to the special provisions of the Master Agreement which apply to Insured Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of March 27, 2003, between Party A and Party B, which relates to Transactions insured by CDC IXIS Financial Guaranty North America, Inc. (including the Schedule thereto, the "Master Agreement"). All provisions contained in the Agreement will govern this Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Notional Amount: USD 108,260,000, reducing on the dates and in the amounts set forth in Annex I hereto.

Trade Date: February 10, 2005

Effective Date: February 24, 2005. The Effective Date for the initial Calculation Period shall be July 1, 2016

Termination Date: July 1, 2024

FIXED AMOUNTS:

Fixed Rate Payer: Party A

Fixed Rate Payer Payment Dates: Semiannually, on each January 1 and July 1, commencing on January 1, 2017 up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Semiannually, on each January 1 and July 1, commencing on January 1, 2017 up to and including the Termination Date. No Adjustment shall apply to Period End Dates.

Fixed Rate: 4.442% per annum

Fixed Rate Day Count Fraction: 30/360

**FLOATING AMOUNTS:**

Floating Rate Payer: Party B

Floating Rate Payer Payment Dates: Semiannually, on each January 1 and July 1, commencing on January 1, 2017 up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: Semiannually, on each January 1 and July 1, commencing on January 1, 2017 up to and including the Termination Date. No Adjustment shall apply to Period End Dates.

Floating Rate Option: USD-BMA Municipal Swap Index

Floating Rate Spread: None

Floating Rate Day Count Fraction: Actual/Actual

Reset Dates: Weekly, every Thursday (or any other day specified by The Bond Market Association), or if any Thursday is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day.

Method of Averaging: Weighted

Compounding: Inapplicable

Business Days: New York

Calculation Agent: As specified in the Agreement

3. **Issuance of Bonds.** Notwithstanding anything contained herein or in the Agreement to the contrary, the parties shall have no rights or obligations with respect to this Transaction, and the representations of the parties contained herein (other than the representation being made in the following sentence) and in the Agreement, including but not limited to Section 4(d) of the Agreement, shall not be deemed to be made until the Dormitory Authority of the State of New York City University System Consolidated Fifth General Resolution Revenue Bonds, Series 2005A (the "Bonds") have been duly issued by Party B and in the event that the Bonds are not issued on or prior to February 24, 2005, this Transaction shall automatically terminate and shall be of no further force or effect and the parties shall have

no further obligations hereunder. Party B represents and warrants that it intends and expects to issue the Bonds and acknowledges that Party A is entering into this Transaction in reliance upon such representation.

4. **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply to all Transactions entered into between Party A and Party B.

5. **Account Details.**

Payments to Party A: Citibank, N.A., New York  
ABA # 021000089  
Account No. 00167679  
Reference: MS01086

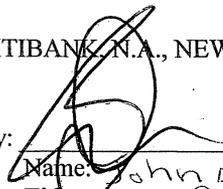
Payments to Party B: The Bank of New York  
ABA # 021 000 018  
GLA # 111-565  
AC # 101065  
Acct Name: DASNY CUNY SWAP Recpt AC  
ATTN: S. Vaccarello

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK N.A., NEW YORK

By:   
Name: John D. Heppellette  
Title: Vice President

Confirmed as of the  
date first above written:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: \_\_\_\_\_  
Name:  
Title:

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

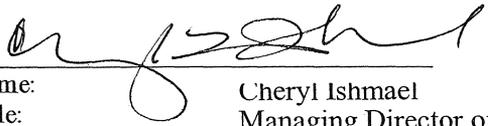
Yours sincerely,

CITIBANK, N.A., NEW YORK

By: \_\_\_\_\_  
Name:  
Title:

Confirmed as of the  
date first above written:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By:   
Name: Cheryl Ishmael  
Title: Managing Director of  
Public Finance

ANNEX I  
to Confirmation, dated as of February 10, 2005  
between Citibank, N.A., New York  
and Dormitory Authority of the State of New York

<u>Reduction Date</u>	<u>Notional Amount Reduction (USD):</u>
7/1/2018	26,740,000
7/1/2019	21,610,000
7/1/2020	19,525,000
7/1/2021	17,550,000
7/1/2022	9,240,000
7/1/2023	12,915,000
7/1/2024	680,000