

LEHMAN BROTHERS

Execution Copy

[DASNY-UPSTATE]

CONFIRMATION

February 17, 2005

INSURED TRANSACTION

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

Global ID: 2086434

Ladies and Gentlemen:

The purpose of this Confirmation is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the 'Transaction'). This Confirmation constitutes a 'Confirmation' as referred to in the Master Agreement specified below. This Transaction constitutes an 'Insured Transaction' as defined in the Master Agreement specified below and it is therefore 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 this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to the ISDA Interest Rate Master Agreement dated as of February 9, 2005, as amended and supplemented from time to time (the 'Agreement') between Lehman Brothers Derivative Products Inc. and Dormitory Authority of the State of New York. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

Party A:	LEHMAN BROTHERS DERIVATIVE PRODUCTS INC.
Party B:	DORMITORY AUTHORITY OF THE STATE OF NEW YORK
Notional Amount:	USD 54,080,000, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	February 17, 2005

LEHMAN BROTHERS
745 SEVENTH AVENUE NEW YORK, NY 10019

NYK 947726-9.071370.0011

Effective Date: March 3, 2005
Termination Date: July 1, 2031

FIXED AMOUNTS:

Fixed Rate Payer: Party B
Fixed Rate Payer Payment Dates: Semiannually, on each January 1 and July 1, commencing on July 1, 2005 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 July 1, 2005 up to and including the Termination Date. No Adjustment shall apply to Period End Dates.
Fixed Rate: 3.207%
Fixed Rate Day Count Fraction 30/360

FLOATING AMOUNTS:

Floating Rate Payer: Party A
Floating Rate Payer Payment Dates: Monthly, on the first day of each calendar month, commencing on April 1, 2005 up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.
Floating Rate Payer Period End Dates: Monthly, on the first day of each calendar month, commencing on April 1, 2005 up to and including the Termination Date. No Adjustment shall apply to Period End Dates.
Floating Rate Option: USD-LIBOR-BBA. Notwithstanding the definition of USD-LIBOR-BBA set forth in the Definitions (for this purpose only), the applicable USD-LIBOR-BBA for each Reset Date shall be the rate published on (1) London Banking Day prior to such Reset Date.
Designated Maturity: One month
Floating Amounts: The Floating Rate used to calculate the Floating Amount payable by the Floating Rate Payer on each Floating Rate Payer Payment Date will be equal to the rate determined in accordance with the specified Floating Rate Option and Designated Maturity.
Notwithstanding the definition of Floating Amount specified in the Definitions, for the purposes of this Transaction, the Floating Amount payable by the Floating Rate Payer shall be calculated as follows:

Floating Amount = Notional Amount x (Floating Rate x 65%)
x Floating Rate Day Count Fraction.

Reset Date: The Effective Date and weekly on each Thursday thereafter,
subject to adjustment in accordance with the Following
Business Day Convention.

Floating Rate Day Count Fraction: Actual/Actual

Method of Averaging: Weighted

Compounding: Inapplicable

Business Days: New York

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 Upstate Community Colleges Revenue Bonds, Series 2005C (the 'Bonds') have been duly issued by Party B and in the event that the Bonds are not issued on or prior to the Effective Date, 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. The Insurer for the Transaction described in this Confirmation is CIFG North America, Inc. and the address for notices or communications to the Insurer is:

Address: CDC IXIS Financial Guaranty North America, Inc.
825 Third Avenue, 6th Floor
New York, NY 10022

Attention: Steve Klein
Telephone: (212) 909-3927
Email: s.klein@cifg.com

6. **Payment Instructions:**

Payments to Party A:

JP Morgan Chase
ABA: 021000021
for the Account of Lehman Brothers Derivative Products Inc.
Account No. 066-902622

Payments to Party B:

US Bank Trust N.A.

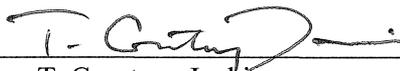
ABA #: 091000022
A/C #: 173103321092
OBI: Corporate Trust
Ref #: DASNY Upstate
Attn: Ward Spooner

7. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to which this Confirmation relates by signing in the space provided below and immediately returning a copy of the executed Confirmation to Party A.

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.

Yours sincerely,

LEHMAN BROTHERS DERIVATIVE PRODUCTS
INC.

By: 
Name: T. Courtney Jenkins
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.

Yours sincerely,

LEHMAN BROTHERS DERIVATIVE PRODUCTS
INC.

By: _____
Name:
Title:

Confirmed as of the
date first above written

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: 
Name:
Title:

By its execution below, CIFG Assurance North America, Inc. (formerly known as CDC IXIS Financial Guaranty North America, Inc.), as Insurer, consents to the Transaction set forth in the Confirmation, dated February 17, 2005, between Lehman Brothers Derivative Products Inc. and Dormitory Authority of the State of New York.

CIFG ASSURANCE NORTH AMERICA, INC.

By: Kathleen G. Cully

Name:

Kathleen G. Cully

Title: **Managing Director and General Counsel**

ANNEX I
to Confirmation, dated February 17, 2005
between Lehman Brothers Derivative Products Inc.
and Dormitory Authority of the State of New York

For all Calculation Periods <u>from and including:</u>	To but <u>excluding:</u>	The applicable USD <u>Notional Amount shall be:</u>
Effective Date	7/1/2023	\$54,080,000
7/1/2023	7/1/2024	47,035,000
7/1/2024	7/1/2025	40,585,000
7/1/2025	7/1/2026	32,305,000
7/1/2026	7/1/2027	26,155,000
7/1/2027	7/1/2028	19,805,000
7/1/2028	7/1/2029	12,440,000
7/1/2029	7/1/2030	6,195,000
7/1/2030	7/1/2031	2,085,000