

Execution Copy

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



November 21, 2002

New York State Urban Development Corporation  
633 Third Avenue  
New York, New York 10017

Attention:

Dear Sirs:

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 the New York State Urban Development Corporation ("Party B") on the Trade Date specified below. This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below.

The definitions and provisions contained in the 1992 ISDA U.S. Municipal Counterparty Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions of this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the Master Agreement dated as of November 21, 2002, as amended and supplemented from time to time (the "Agreement"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as specifically modified below.

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

|                                      |  |
|--------------------------------------|--|
| Notional Amount:                     | \$250,000,000 which shall reduce on the dates and in the amounts specified in Annex I hereto.  |
| Trade Date:                          | November 21, 2002  |
| Effective Date:                      | November 26, 2002  |
| Termination Date:                    | January 1, 2030  |
| FIXED AMOUNTS:                       |  |
| Fixed Amount Payer:                  | Party B  |
| Fixed Amount Payer Payment Dates:    | Semiannually on each January 1 and July 1, commencing July 1, 2003 and terminating on the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention. |
| Fixed Amount Payer Period End Dates: | Semiannually on each January 1 and July 1, commencing July 1, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.   |
| Fixed Rate:                          | 3.5780%  |

Ref: 31132

NYA 573469.2

Fixed Rate Day Count Fraction: 30/360

FLOATING AMOUNTS:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Monthly on the first Business Day of each calendar month, commencing January 1, 2003 and terminating on the Termination Date.

Floating Rate Payer Period End Dates: Monthly on the first day of each calendar month, commencing January 1, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.

Floating Rate Option: 65% of USD-LIBOR-BBA

Designated Maturity: One month

Reset Date: The Effective Date and each Floating Rate Payer Period End Date thereafter. As specified in the Definitions, the rate for each Reset Date shall be the rate which appears on the Teletype Page 3750 as of 11:00 a.m., London time, on the day that is two London Banking Days preceding that Reset Date.

Floating Rate Day Count Fraction: Actual/360

Method of Averaging: Weighted Average

Compounding: Inapplicable

Business Days: New York and London

3. Payment Instructions: As are set forth in the Agreement.

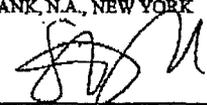
4. Broker's Fee. Counterparty acknowledges that Party A shall pay \$75,000 to Swap Financial Group, on behalf of Party B, for swap advisory services provided by Swap Financial Group to Party B.

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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing both copies of this Confirmation enclosed for that purpose and returning one copy to us (initially by facsimile, to be followed by delivery of the original).

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: 

Name: Scott L. Flood  
Title: Vice President

Confirmed as of the date first above written

NEW YORK STATE URBAN DEVELOPMENT  
CORPORATION

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

Name:  
Title:

01/02/03 15:26 FAX 506 1487

ORRICK, HERRINGTON-NY.

039

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ESD TREASURY

212 883 3515 P.03

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing both copies of this Confirmation enclosed for that purpose and returning one copy to us (initially by facsimile, to be followed by delivery of the original).

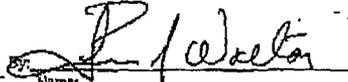
Yours sincerely,

CITIBANK, N.A., NEW YORK

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

Confirmed as of the date first above written

NEW YORK STATE URBAN DEVELOPMENT  
CORPORATION

By:   
Name:  
Title: CFO

Ref: 31132

NYA 573469.2

ANNEX I  
to Confirmation, dated November 21, 2002,  
between Citibank, N.A., New York  
and New York State Urban Development Corporation

| Reduction Date | Notional Amount Reduction |
|----------------|---------------------------|
| 1/1/2017       | \$21,900,000              |
| 1/1/2018       | 24,150,000                |
| 1/1/2019       | 15,475,000                |
| 1/1/2020       | 16,050,000                |
| 1/1/2021       | 20,050,000                |
| 1/1/2022       | 25,600,000                |
| 1/1/2023       | 26,600,000                |
| 1/1/2024       | 23,900,000                |
| 1/1/2025       | 24,825,000                |
| 1/1/2026       | 13,525,000                |
| 1/1/2027       | 14,050,000                |
| 1/1/2028       | 11,550,000                |
| 1/1/2029       | 8,675,000                 |
| 1/1/2030       | 3,650,000                 |