

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



December 1, 2004

Transaction

New York State Urban Development Corporation  
633 Third Avenue  
New York, NY 10017  
Attention: Chief Financial Officer

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 New York State Urban Development Corporation ("Party B"), on the Trade Date specified below.

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 December 1, 2004, between Party A and Party B (including the Schedule, the "Agreement"). All provisions contained in such Master 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 74,615,000, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	December 1, 2004
Effective Date:	December 22, 2004
Termination Date:	March 15, 2033

**FIXED AMOUNTS:**

Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Semiannually, on each March 15 and September 15, commencing on March 15, 2005 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.
Fixed Rate Payer Period End Dates:	Semiannually, on each March 15 and September 15, commencing on March 15, 2005 and terminating on the Termination Date. No

REF: MSD00491

NYK 936987-6.071371.0010

Adjustment shall apply to Period End Dates.

Fixed Rate: 3.490%

Fixed Rate Day Count Fraction 30/360

**FLOATING AMOUNTS:**

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Monthly, on the fifteenth day of each calendar month, commencing on January 15, 2005 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: Monthly, on the fifteenth day of each calendar month, commencing on January 15, 2005 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.

Floating Rate Option: 1-month USD-LIBOR x 65.0%

Where:

1-month USD-LIBOR = USD-LIBOR-BBA with a Designated Maturity of 1 month; provided, however, that the definition of USD-LIBOR-BBA in the Definitions is hereby amended such that the determination of USD-LIBOR-BBA shall be on the day which is one (1) New York Banking Day preceding each Floating Rate Reset Date. However, if such date is not also a London Banking Day, the determination of USD-LIBOR-BBA shall be on the day which is the next preceding London Banking Day. The definition of USD-LIBOR-Reference Banks will be deemed to be amended to the same extent as set forth above.

Floating Rate Reset Date: The first day of each Calculation Period.

Floating Rate Day Count Fraction: Actual/Actual

Method of Averaging: Inapplicable

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 New York State Urban Development Corporation State Personal Income Tax Revenue Bonds (State Facilities and Equipment) Series 2004A-3 (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. **Account Details.**

Payments to Party A: Citibank, N.A., New York  
ABA # 021000089

REF: MSD00491

NYK 936987-6.071371.0010

Account No. 00167679  
Reference: MSD00491

Payments to Party B:

Bank of New York  
ABA # 021 000 018  
Account No. 27 13 12  
For the Account of: Series 2004 A-3 Swap Receipts Account – a/c  
number 283042

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

REF: MSD00491

NYK 936987-6.071371.0010

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:

  
JOHN D. HERPOLETTE  
VICE PRESIDENT

Confirmed and accepted as of the  
date first above written:

URBAN DEVELOPMENT CORPORATION

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

Name:

Title:

REF: MSD00491

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 and accepted as of the  
date first above written:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

ANNEX I  
to Confirmation, dated December 1, 2004,  
between Citibank, N.A., New York  
and New York State Urban Development Corporation

From and including:	To but excluding:	Notional Amount (USD):	Notional Amount Reduction (USD):
Effective Date	3/15/2025	74,615,000	4,730,000
3/15/2025	3/15/2026	69,885,000	8,000,000
3/15/2026	3/15/2027	61,885,000	8,300,000
3/15/2027	3/15/2028	53,585,000	8,605,000
3/15/2028	3/15/2029	44,980,000	8,925,000
3/15/2029	3/15/2030	36,055,000	9,260,000
3/15/2030	3/15/2031	26,795,000	9,605,000
3/15/2031	3/15/2032	17,190,000	9,960,000
3/15/2032	Termination Date	7,230,000	7,230,000