

# LEHMAN BROTHERS

Execution Copy  
[LIBOR]

## CONFIRMATION

December 1, 2004

## TRANSACTION

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

Global ID: 2034144

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.

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 December 1, 2004, as amended and supplemented from time to time (the "Agreement") between Lehman Brothers Derivative Products Inc. and New York State Urban Development Corporation. 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:	NEW YORK STATE URBAN DEVELOPMENT CORPORATION
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

LEHMAN BROTHERS  
745 SEVENTH AVENUE NEW YORK, NY 10019

NYK 937315-5.071370.0011

**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 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-BBA. 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.

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. **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:

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

5. 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: T. Courtney Jenkins  
Name: T. Courtney Jenkins  
Title: Vice President

Confirmed as of the  
date first above written

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

By: *M. Wall*  
Name:  
Title:

**ANNEX I**  
**to Confirmation, dated December 1, 2004**  
**between Lehman Brothers Derivative Products Inc.**  
**and New York Urban Development Corporation**

<b><u>For all Calculation Periods from and including:</u></b>	<b><u>To but excluding:</u></b>	<b><u>The applicable USD Notional Amount shall be:</u></b>
<b>Effective Date</b>	<b>3/15/2025</b>	<b>\$74,615,000</b>
<b>3/15/2025</b>	<b>3/15/2026</b>	<b>69,885,000</b>
<b>3/15/2026</b>	<b>3/15/2027</b>	<b>61,885,000</b>
<b>3/15/2027</b>	<b>3/15/2028</b>	<b>53,585,000</b>
<b>3/15/2028</b>	<b>3/15/2029</b>	<b>44,980,000</b>
<b>3/15/2029</b>	<b>3/15/2030</b>	<b>36,055,000</b>
<b>3/15/2030</b>	<b>3/15/2031</b>	<b>26,795,000</b>
<b>3/15/2031</b>	<b>3/15/2032</b>	<b>17,190,000</b>
<b>3/15/2032</b>	<b>Termination Date</b>	<b>7,230,000</b>