

## EXECUTION COPY

Date:	November 21, 2002		
To:	New York State Urban Development Corporation d/b/a Empire State Development Corporation	From:	Morgan Stanley Capital Services Inc.
Attn:	Frances Walton	Contact:	Gregory Pacelli
Fax:	212-803-3515	Fax:	212-762-8227
Tel:	212-803-3510	Tel:	212-762-7415

Re: Interest Rate Swap MSCS Ref. No. AUBE0

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below.

The definitions and provisions contained in the 2000 ISDA Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions (each as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of November 21, 2002, as amended and supplemented from time to time (the "Agreement") between you and us. 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:	Morgan Stanley Capital Services Inc.
Party B:	New York State Urban Development Corporation d/b/a Empire State Development Corporation
Trade Date:	November 21, 2002
Notional Amount:	USD 250,000,000, amortizing according to Schedule I
Effective Date:	November 26, 2002
Termination Date:	January 1, 2030

Fixed Amounts:

Fixed Rate #1

Fixed Rate #1 Payer:	Party B
Fixed Rate #1 Payment:	USD 622,000
Fixed Rate #1 Payment Date:	Effective Date

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Fixed Rate #2

Fixed Rate #2 Payer: Party-B

Fixed Rate #2 Payer Payment Dates: Each January 1 and July 1, commencing on July 1, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Rate #2 Payer Period End Dates: Each January 1 and July 1, commencing on July 1, 2003, up to and including the Termination Date, not subject to adjustment.

Fixed Rate #2: 3.578%

Fixed Rate #2 Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Monthly, on the first day of each month, commencing on January 1, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Floating Rate Payer Period End Dates: Monthly, on the first day of each month, commencing on January 1, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Floating Rate Option: USD-LIBOR-BBA

Maturity: One month

Floating Rate: 65% times the Floating Rate Option

Floating Rate Day Count Fraction: Actual/360

Floating Rate Reset Date: For the initial Calculation Period, November 22, 2002 and thereafter monthly, on the first day of each month, commencing on January 1, 2003, subject to adjustment in accordance with the Modified Following Business Day Convention.

Compounding: Inapplicable

Business Days: New York

Calculation Agent: Party A, except as otherwise may be provided in the Agreement

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**3. Account Details:**

Payments to Party A:

Citibank, New York  
ABA No. 021 000 089  
For: Morgan Stanley Capital Services Inc.  
Account No. 4072 4601

Payments to Party B:

[Please provide]

Party A Operations Contact:

Barbara Kent  
Tel 212 761-4662  
Fax 212 761-0581

**4. Swap Arrangement Fee.** Party A agrees to pay Swap Financial Group a swap arrangement fee in the amount of \$75,000.

01/02/03 15:22 FAX 506 1467

ORRICK, HERRINGTON-NY.

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DEC-18-2002 WED 10:18 PM

FAX NO.

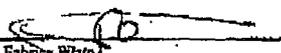
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Please confirm that the foregoing correctly sets forth the terms of our agreement MECS Ref. No. A1280 by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

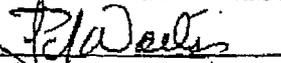
Best Regards,

MORGAN STANLEY CAPITAL SERVICES INC.

By:   
Name: Fabrice Pilate  
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED as of the date first written:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

By:   
Name: Frances A. Walton  
Title: Chief Financial Officer

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SCHEDULE I  
MSCS Ref. No. AUBE0

FROM (and including)	TO (but excluding)	NOTIONAL AMOUNT
Effective Date	1/1/2017	\$250,000,000
1/1/2017	1/1/2018	228,100,000
1/1/2018	1/1/2019	203,950,000
1/1/2019	1/1/2020	188,475,000
1/1/2020	1/1/2021	172,425,000
1/1/2021	1/1/2022	152,375,000
1/1/2022	1/1/2023	126,775,000
1/1/2023	1/1/2024	100,175,000
1/1/2024	1/1/2025	76,275,000
1/1/2025	1/1/2026	51,450,000
1/1/2026	1/1/2027	37,925,000
1/1/2027	1/1/2028	23,875,000
1/1/2028	1/1/2029	12,325,000
1/1/2029	Termination Date	3,650,000