



Interest Rate Swap Transaction

Date: 01 December 2004
To: New York State Urban Development Corporation ("Counterparty")
Attn: Frances Walton, Chief Financial Officer
Fax No: (212) 803-3515
From: UBS AG, Stamford Branch ("UBS")
Subject: Swap Transaction
UBS Ref: 37050967

Dear Ms. Walton,

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

The definitions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between any of the definitions listed above and this Confirmation, this Confirmation will govern.

UBS and the Counterparty have entered into a Master Agreement, dated as of December 1, 2004, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any Schedule and any other Confirmation, the "Agreement"). This Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for purposes of this Transaction.

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

General Terms

Trade Date: 01 December 2004
Effective Date: 15 March 2014

Termination Date:	15 March 2025
Notional Amount:	Initially USD 75,075,000.00, thereafter amortizing as per the Amortization Schedule below
Business Days:	New York
<u>Fixed Amounts</u>	
Fixed Rate Payer:	UBS
Fixed Rate:	4.967 per cent per annum
Fixed Rate Day Count Fraction:	30/360
Fixed Rate Payer Payment Dates:	Semiannually, on each 15 March and 15 September, from and including 15 September 2014 up to and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention
Fixed Rate Period End Dates:	Semiannually, on each 15 March and 15 September, commencing on 15 September 2014 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.
<u>Floating Amounts</u>	
Floating Rate Payer:	Counterparty
Floating Rate Option:	USD-BMA Municipal Swap Index
Floating Rate Spread:	None
Floating Rate Day Count Fraction:	Actual/Actual
Floating Rate Payer Payment Dates:	Semiannually, on each 15 March and 15 September, from and including 15 September 2014 up to and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.
Floating Rate Period End Dates:	Semiannually, on each 15 March and 15 September, commencing on 15 September 2014 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.
UBS Ref 37050967	
C/P Ref:	

Compounding:

Inapplicable

Method of Averaging:

Weighted Average

Amortization Schedule

<u>From and including:</u>	<u>To but excluding:</u>	<u>Notional Amount (USD)</u>
Effective Date	15 March 2015	75,075,000
15 March 2015	15 March 2016	75,050,000
15 March 2016	15 March 2017	72,610,000
15 March 2017	15 March 2018	64,855,000
15 March 2018	15 March 2019	56,755,000
15 March 2019	15 March 2020	48,235,000
15 March 2020	15 March 2021	39,305,000
15 March 2021	15 March 2022	29,975,000
15 March 2022	15 March 2023	20,225,000
15 March 2023	15 March 2024	10,320,000
15 March 2024	Termination Date	2,960,000

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 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 2004 A-2 (the "Bonds") have been duly issued by the Counterparty 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. The Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that UBS is entering this Transaction in reliance upon such representation.

Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information

and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Account Details

UBS Stamford Branch	UBS AG, Stamford
USD Bank Account	101-WA-860050-025
SWIFT Address:	UBSWUS33
ABA#:	026007993

Counterparty Account Details

Name of Bank: Bank of New York
Account No.: 27 13 12
Fed ABA No.: 021 000 018
For the Account of: Series 2004 A-2 Swap Receipts Account - a/c number 283041

Offices

- (a) The office of UBS for the Swap Transaction is Stamford CT; and
- (b) The office of the Counterparty for the Swap Transaction is New York, NY.

Contact Names at UBS

Settlements:	Hotline:	(203) 719-1110
Confirmation Queries:	Christopher Cost	(212) 713-1212
ISDA Documentation:	Legal Department:	(203) 719-6235
Swift:	UBSWUS33	
Fax:	(212) 713-3016	
Address:	UBS AG	
	677 Washington Boulevard	
	Stamford, CT 06901	

DEC 16-2004 15:21 FROM:UBS

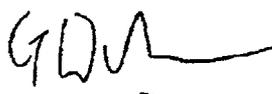
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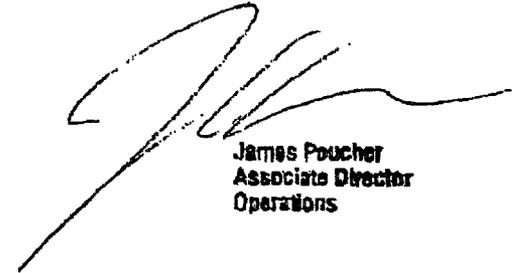
TO:912127133016

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Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Confirmation and returning it to us by facsimile to (212) 713-3016.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By: 
Name : Glen Williams
Title: Associate Director
Operations

By: 
Name : James Poucher
Title: Associate Director
Operations

Acknowledged and agreed by New York State Urban Development Corporation as of the Trade
Date specified above:

By:
Name : Frances Walton
Title : Chief Financial Officer

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Title:

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Title : Chief Financial Officer