

SCHEDULE

to the

MASTER AGREEMENT

dated as of November 21, 2002

between

GOLDMAN SACHS MITSUI MARINE DERIVATIVE PRODUCTS, L.P. ("Party A"),

and

NEW YORK STATE

URBAN DEVELOPMENT CORPORATION ("PARTY B"),

a body corporate and politic

of the State of New York constituting a

public benefit corporation of the

State of New York

Part 1. Termination Provisions.

(a) **"Specified Entity"** means in relation to Party A for the purpose of:

Section 5(a)(v) (Default under Specified Transaction), Not Applicable.

Section 5(a)(vi) (Cross Default), Not Applicable.

Section 5(a)(vii) (Bankruptcy), Not Applicable.

Section 5(b)(ii)(Credit Event Upon Merger), Not Applicable.

and in relation to Party B for the purpose of:

Section 5(a)(v) (Default under Specified Transaction), Not Applicable.

Section 5(a)(vi) (Cross Default), Not Applicable.

Section 5(a)(vii) (Bankruptcy), Not Applicable.

Section 5(b)(ii)(Credit Event Upon Merger), Not Applicable.

(b) **"Specified Transaction"** will have the meaning specified in Section 12 of this Agreement; provided that with respect to Party B, Specified Transaction shall include only those Specified Transactions that are payable from the source of payment specified in Section 4(f) this Agreement.

(c) The **"Cross Default"** provisions of Section 5(a)(vi) will apply to Party A and to Party B.

"Specified Indebtedness" with respect to Party A, will have the meaning specified in Section 12 of this Agreement and, with respect to Party B, will mean any bonds issued pursuant to the Correctional and Youth Facilities Service Contract Revenue Bond Resolution adopted by Party B on November 21, 2002 as amended and supplemented from time to time and any interest rate exchange agreement executed by Party B that is payable from the source of payment specified in Section 4(f) of this Agreement (the inclusion of interest rate exchange agreements as Specified Indebtedness shall not create any implication that an interest rate exchange agreement constitutes indebtedness).

"Threshold Amount" means \$50,000,000 for Party A and \$50,000,000 for Party B.

(d) The **"Credit Event Upon Merger"** provisions of Section 5(b)(ii) will apply to Party A and will not apply to Party B.

(e) The **"Automatic Early Termination"** provision of Section 6(a) will not apply to Party A or to Party B.

(f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:

(A) Market Quotation will apply.

(B) The Second Method will apply.

(g) **Additional Termination Event** will apply. The following shall constitute Additional Termination Events:

(i) If the unenhanced, unsubordinated Specified Indebtedness of Party B or counterparty credit rating or counterparty rating of Party A is not rated by at least one of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (or any successor) ("S&P"), Moody's Investors Service (or any successor) ("Moody's"), or Fitch Investor's Service (or any successor) ("Fitch") at least BBB, Baa2 or BBB, as applicable, or the unenhanced, unsubordinated Specified Indebtedness of Party B or the counterparty credit rating or counterparty rating of Party A is rated by any one of S&P, Moody's or Fitch lower than BBB-, Baa3 or BBB-, as applicable, then a "Ratings Event" shall be deemed to have occurred with respect to such party. The party for which the Ratings Event is deemed to have occurred ("X") shall promptly notify the other party of the occurrence of such Ratings Event; provided that, the failure of such a party to provide such notice shall not constitute an Event of Default hereunder. A Ratings Event shall be deemed an Additional Termination Event for which all Transactions under this Agreement shall be Affected Transactions. For the purposes of Section 6(b) and Section 6(e), X shall be the sole Affected Party.

(ii) It shall be an Additional Termination Event if Party A has notified Party B that a Party B Downgrade Event (as defined below) has occurred and Party B has not, within 20 days of receiving such notice, at its sole election, either (a) provided a guarantee, letter of credit, surety bond, insurance policy or other credit support document with respect to the amounts payable by Party B under Sections 2 and 6 of this Agreement in a form and by a provider reasonably acceptable to Party A; (b) transferred this Agreement pursuant to Section 7(d) of this Agreement or otherwise transferred this Agreement to a counterparty and pursuant to terms reasonably acceptable to Party A; or (c) executed a credit support annex with Party A in substantially the form executed by Party A upon the execution and delivery of this Agreement. For purposes of Section 6(e), Party B shall be the sole Affected Party. A "Party B Downgrade Event" shall occur if the unenhanced, unsubordinated Specified Indebtedness of Party B is not rated by at least one of S&P, Moody's or Fitch at least BBB+, Baa1 or BBB+, as applicable, or the unenhanced, unsubordinated Specified Indebtedness of Party B is rated by any one of S&P, Moody's or Fitch lower than BBB, Baa2 or BBB, as applicable. Party B shall promptly notify Party A of the occurrence of a Party B Downgrade Event; provided that, the failure of Party B to provide such notice shall not constitute an Event of Default hereunder. This Additional Termination Event shall be deemed to have been waived by Party A until such time as the Insurer fails to make a payment under its Swap Insurance Policy or fails to maintain either a financial strength rating of at least A3 from Moody's or a claims paying ability rating of at least A- from S&P or an equivalent rating determined by a nationally recognized ratings service acceptable to both parties.

(h) **Events of Default.**

(i) **Cross Default.** Section 5(a)(vi) of this Agreement is hereby amended to read in its entirety as follows:

“(vi) **Cross Default.** With respect to Party A shall mean the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period); and

With respect to Party B shall mean the occurrence or existence of a default on Specified Indebtedness of Party B with a principal or notional amount of not less than the Threshold Amount (as specified in the Schedule) either (1) when an amount on such Specified Indebtedness is due and payable or (2) which has resulted in such Specified Indebtedness becoming due and payable under such agreements or instruments before it would otherwise have been due and payable;

(ii) **Bankruptcy.** Section 5(a)(vii) is hereby amended by renumbering existing Clauses (8) and (9) to be Clauses (9) and (10), respectively, and is further amended by replacing the reference to “clauses (1) to (7) (inclusive)” in what is now Clause (9), with a reference to “clauses (1) to (8) (inclusive)” and is further amended by adding a new clause (8) to read as follows:

“(8) is subject to a statute, rule or regulation which has been enacted and has the force of law and which establishes an agency, authority, body or oversight board to monitor, review or oversee a financial emergency with respect to such party”.

(iii) **Merger Without Assumption.** Section 5(a)(viii) of this Agreement is hereby amended to read in its entirety as follows:

“(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity (or, without limiting the foregoing, if such party is a Government Entity, an entity such as a board, commission, authority, agency, public benefit corporation or political subdivision succeeds to the principal functions of, or powers and duties granted to, such party or any Credit Support Provider of such party) and, at the time of such consolidation, amalgamation, merger, transfer or succession:

(1) the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement;

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement; or

(3) in the case of Party B, the benefits of the Financing Agreement fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement.”

(i) **Early Termination.**

Section 6 is hereby amended by adding the following as new subsections (f) and (g):

“(f) *Set-off*. Neither party hereto shall have a right of set-off with respect to amounts due hereunder; provided however, that this provision shall not affect the rights of Party B to exercise remedies including any right of set-off under the credit support annex executed in connection herewith.”

“(g) *Optional Termination by Party B*. Party B may, upon at least five (5) Business Days’ written notice to Party A, terminate any Transactions under this Agreement by designating to Party A the termination date for such Transactions. In the event Party B exercises its right of optional termination hereunder, the provisions of Section 6(e)(i)(3) shall apply as though Party B is the sole Affected Party. Party B may not optionally terminate any Transactions pursuant to this section unless Party B also provides evidence reasonably satisfactory to Party A that Party B has or will have on the termination date available funds with which to make any amount due to Party A as a result of such Optional Termination. Notwithstanding anything herein to the contrary, the parties will be obligated to pay any accrued and unpaid amounts that would otherwise be due on the date of such Optional Termination.

Part 2. Agreement to Deliver Documents.

For the purpose of Section 4(a) of this Agreement, each party agrees to deliver the following documents, as applicable:

PARTY REQUIRED TO DELIVER	FORM/DOCUMENT/ CERTIFICATE	DATE BY WHICH TO BE DELIVERED	COVERED BY SECTION 3(d)
Party B	Certified copies of all documents evidencing necessary corporate and other authorizations and approvals with respect to the execution, delivery and performance by the party and any Credit Support Provider of this Agreement, any Credit Support Document and any Confirmation, including, where applicable, certified copies of the resolutions of its Board of Directors authorizing the execution and delivery of this Agreement, the relevant Credit Support Document or any Confirmation.	Upon execution of this Agreement and promptly at the request of the other party upon execution of a Confirmation	Yes
Party A and Party B	A certificate of an authorized officer of the party and any Credit Support Provider as to the incumbency and authority of the officers of the party and any Credit Support Provider signing this Agreement, any Credit Support Document or any Confirmation.	Upon execution of this Agreement and promptly at the request of the other party upon execution of a Confirmation	Yes
Party B	With respect to Party B, a copy of the most recent	Promptly after request by the other party	Yes

Party A	<p>Annual Information Statement of the State of New York and any updates thereto and the audited financial statements of the State of New York, in each case when available to Party B, containing in all cases audited consolidated financial statements for each fiscal year during which this Agreement is in effect certified by independent certified public accountants and prepared in accordance with generally accepted accounting principles in the United States or in the country in which such party is organized.</p>	Promptly after request by the other party.	Yes
Party A and Party B	<p>A copy of the annual balance sheet of Party A, for each fiscal year during which this Agreement is in effect prepared in accordance with generally accepted accounting principles in the United States or in the country in which such party is organized.</p>	Promptly after request by the other party	Yes
Party A and Party B	<p>Such other documents as the other party may reasonably request</p> <p>An opinion of counsel to the party and any Credit Support Provider substantially in the form set forth in Exhibit C attached hereto and covering such other matters as reasonably requested by the receiving party.</p>	Upon execution of this Agreement and each Confirmation.	No
Party A	<p>Support Agreement dated as of October 9, 1993 (the "Support Agreement") among Party A, Mitsui Sumitomo Insurance Company, Limited (f/k/a Mitsui Marine and Fire Insurance Co., Ltd. ("Mitsui Sumitomo") and The Goldman Sachs Group, Inc. (successor to</p>	Upon execution of this Agreement	Yes

Party A	The Goldman Sachs Group, L.P.) (the "Goldman Group") Guaranty dated as of December 20, 2000 of the Goldman Group and Mitsui Sumitomo (the "Guaranty")	Upon execution of this Agreement	Yes
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Part 3. Miscellaneous.

(a) **Notices.** For the purpose of Section 10(a) of this Agreement:

Address for notices or communications to Party A:

Address: 85 Broad Street
 New York, New York 10004
 Attention: Swap Administration

Fax No.: 212-902-5692

Telephone No.: 212-902-1000

Address for notice or communications to Party B:

Address: 633 Third Avenue
 New York, New York 10017
 Attention: Treasurer

Fax No.: 212-803-3595

Telephone No.: 212-803-3520

(b) **Notices.** Section 10(a) is amended by adding in the third line thereof after the phrase "messaging system" and before the ")" the words "; provided, however, any such notice or other communication may be given by facsimile transmission if telex is unavailable, no telex number is supplied to the party providing notice, or if answer back confirmation is not received from the party to whom the telex is sent."

(c) **Calculation Agent.** The Calculation Agent is Party A unless Party A is the Defaulting Party, in which case the Calculation Agent means a leading dealer in the relevant market designated by Party B. Calculations by the Calculation Agent shall be binding and conclusive absent manifest error.

(d) **Credit Support Document.** Details of any Credit Support Document: in relation to Party A means the Guaranty and the Support Agreement and the credit support annex attached as Exhibit D.

(e) **Credit Support Provider.** Credit Support Provider means in relation to Party A and Party B, not applicable.

(f) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(g) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply to all Transactions entered into between Party A and Party B.

(h) *"Affiliate"* will have the meaning specified in Section 12 of this Agreement, but with respect to Party B, will exclude the State of New York.

(i) *"Government Entity"* means Party B.

(j) *Account details.* Payments shall be made to the following accounts:

Payments to Party A:

For the Account of: Goldman Sachs Mitsui Marine Derivative Products, L.P.

Name of Bank: JPMorgan Chase Bank, New York

Account No.: 930-1-034733

Fed ABA No.: 021000021

Payments to Party B:

Name of Bank: Bank of New York

Account No.:27 13 12

For the Account of: ESDC Correctional and Youth Facilities Swap Receipts Account

Fed ABA No.:021 000 018

Part 4. Other Provisions.

(a) Representations.

(i) The introductory clause of Section 3 of this Agreement is hereby amended to read in its entirety as follows:

"Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a) and 3(e), at all times until the termination of this Agreement) that--".

(ii) Section 3(a) of this Agreement is hereby amended by adding the following subparagraph (vi):

"(vi) *Eligible Contact Participant.* It is an "eligible contract participant" within the meaning of Section 1(a)(12) of the Commodity Exchange Act."

(iii) Section 3 of this Agreement is hereby amended by adding the following subsections (e), (f), (g) and (h) thereto:

"(e) *Non-Speculation.* This Agreement has been, and each Transaction hereunder will be (and, if applicable, has been), entered into for purposes of managing its borrowings or investments and not for purposes of speculation."

“(f) No Immunity. It is not immune from suit or judgment for amounts due and payable pursuant to this Agreement, it being understood that, with respect to Party B, payment of any judgment shall be solely from sources available under Section 4(f) “Source of Payments” hereof.”

“(g) Acting as Principal. Each party hereto represents and warrants to the other party hereto that it is acting as a principal hereunder and not as an agent for any other party.”

“(h) No Reliance. In connection with the negotiation of, the entering into, and the confirming of the execution of, this Agreement, any Credit Support Document to which it is a party, and each Transaction: (i) the other party is not acting as a fiduciary or financial or investment advisor for it; (ii) it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it has deemed necessary; (iii) that Transaction has been the result of arm’s length negotiations between the parties; (iv) it is entering into this Agreement, such Credit Support Document and such Transaction with a full understanding of all of the risks hereof and thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; (v) it is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary; (vi) it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction (it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction); and (vii) it has not received from the other party any assurance or guarantee as to the expected results of that Transaction.”

(b) Agreements.

(i) Section 4 of this Agreement is hereby amended by adding the following subsections (f), (g) and (h) thereto:

“(f) Source of Payments. The obligations of Party B to make payments to Party A under this Agreement shall be special obligations of Party B payable solely from amounts paid to Party B by the State of New York pursuant to Section 1(h) of the Financing Agreement, which amounts are subject to annual appropriation by the State of New York. The obligations of Party B under this Agreement shall not be a debt of the State of New York, nor shall the State of New York be liable thereon nor shall the amounts payable by Party B to Party A hereunder be payable out of any funds or property other than those described in the preceding sentence.”

“(g) No Recourse. All covenants, stipulations, promises, agreements and obligations of Party B contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of Party B and not of any member, officer or employee of Party B in his or her individual capacity, and no recourse shall be had for the payment of any amount due hereunder or for any claims based hereon against any member, officer or employee of Party B or any person executing this Agreement for Party B, all such liability, if any, being expressly waived and released by Party A.”

(h) Actions with Respect to Financing Agreement. Party B agrees to comply with all of its obligations under the Financing Agreement that are material to the performance of its obligations under this Agreement. Party B shall not enter into any amendment to, or waive any provision of, the Financing Agreement if such amendment or waiver would materially adversely affect Party B’s ability to perform its obligations hereunder without the prior written consent of Party A. Party B agrees to enforce all provisions of the Financing Agreement relating to the performance of its obligations hereunder.

(c) **Transfer.** Section 7 of this Agreement is hereby amended to read in its entirety as follows:

“Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that: -

(a) upon reasonable notice, a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement);

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e); or

(c) Party A upon five (5) Business Days notice to Party B may transfer this Agreement and all of its interests and obligations in or under this Agreement to The Goldman Sachs Group, Inc. or any Affiliates of The Goldman Sachs Group, Inc. that are guaranteed by The Goldman Sachs Group, Inc. or are otherwise reasonably acceptable to Party B.

(d) Party B may transfer all if its rights and obligations under any Transaction (the "Transferred Obligation") to another entity (the "Transferee") provided that:

- (1) the credit worthiness of the Transferee or its guarantor is reasonably acceptable to Party A;
- (2) the Transferee and Party A shall have executed a master agreement in form and substance satisfactory to Party A with terms appropriate for counterparties with the Transferee's credit rating, as determined by Party A in good faith (including such Credit Support Documents as shall be required by Party A and appropriate for counterparties with the Transferee's (or its guarantor's) credit rating, as determined by Party A in good faith) under which the Transferred Obligations will be governed;
- (3) at the time of such transfer, no Early Termination Date shall have been designated under this Agreement and no Event of Default, Potential Event of Default or Termination Event shall have occurred and be continuing under this Agreement with respect to Party B;
- (4) such transfer will not result in the violation of any law, regulation, rule, judgment, order or other legal limitation or restriction applicable to Party A;
- (5) such transfer will not result in a violation of Party A's counterparty eligibility or credit practices or policies or exposure limitations;
- (6) at the time of such transfer, no event which would constitute a Termination Event, Event of Default or Potential Event of Default with respect to the Transferee if the Transferee were a party to this Agreement (or its guarantor were a Credit Support Provider under this Agreement) shall have occurred;
- (7) such transfer does not result in any adverse tax consequences to Party A, including the obligation to deduct or withhold an amount with respect to any Tax from payments required to be made to the Transferee, the receipt of payments from the Transferee from which amounts with respect to any Tax may be deducted or withheld or the imposition of any tax, levy, impost, duty charge, or fee of any nature by any government or taxing authority which would not have been imposed but for such transfer; and
- (8) the Transferee is organized under the laws of the United States or a state thereof.

Any purported transfer that is not in compliance with this Section will be void."

(d) ***Jurisdiction/Waiver of Immunities:*** Section 11 (b) and Section 11(c) of this Agreement are hereby deleted in their entirety and replaced with the following:

"With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits to the exclusive jurisdiction of the Supreme Court of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party."

(e) **Waiver of Jury Trial.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any Proceedings relating to this Agreement or any Credit Support Document.

(f) **Definitions.** Section 12 of this Agreement is hereby amended to add the following definitions in their appropriate alphabetical order:

"**Financing Agreement**" means the Service Contract between the New York State Urban Development Corporation and the State of New York acting by and through the Director of the Budget of the State of New York, dated November 21, 2002, as amended and supplemented from time to time.

"**Government Entity**" means Party B.

"**Incipient Illegality**" means any assertion by an officer of Party B in his or her official capacity on behalf of Party B in any legal proceeding or action in respect of Party B, to the effect that performance under this Agreement or similar agreements is unlawful.

(g) **Accuracy of Specified Information.** Section 3(d) is hereby amended by adding at the end of the third line thereof after the word "respect" and before the period the words, "or, in the case of audited or unaudited financial statements, a fair presentation of the financial condition of it." With respect to information concerning the State of New York provided by Party B, such representation is based solely upon the representation of the Division of the Budget of the State of New York or the Office of the State Comptroller of the State of New York, as applicable.

(h) **Notice of Incipient Illegality.** If an Incipient Illegality occurs, Party B will, promptly upon becoming aware of it, notify Party A, specifying the nature of that Incipient Illegality; provided that, the failure of Party B to provide such notice shall not constitute an Event of Default hereunder. Party B will also give such other information about that Incipient Illegality as Party A reasonably requests.

(i) **Deferral of Payments and Deliveries in Connection with Illegality and Incipient Illegality.** Section 2(a)(iii) is hereby amended to read in its entirety as follows:

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default, Illegality, Potential Event of Default or Incipient Illegality with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(j) **Insurer Provisions.** The following provisions shall apply to any Transaction to which the Swap Insurance Policy issued by Ambac Assurance Corporation (the "Insurer"), as Credit Support Provider, to the account of Counterparty, as principal, and for the benefit of Party A, as beneficiary (the "Swap Insurance Policy"), relates (the "Insured Transactions").

(i) Notwithstanding anything to the contrary in Section 6(a) of this Agreement, if any:

(A) Event of Default in respect of any Insured Transaction under Section 5(a) of this Agreement occurs with respect to Counterparty as the Defaulting Party; or

(B) Termination Event in respect of any Insured Transaction under Section 5(b) of this Agreement occurs with respect to Counterparty as the Affected Party

then, in either such case, Party A shall not designate an Early Termination Date in respect of any such Insured Transaction unless:

- (Y) Insurer has failed to pay any payment due to Party A under the terms and conditions of the Swap Insurance Policy; or
 - (Z) Insurer has otherwise consented in writing to such designation.
- (ii) The definition of "Reference Market Makers" set forth in Section 12 of this Agreement shall be amended in its entirety to read as follows:
- "Reference Market Makers" means four (4) leading dealers in the relevant swap market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among dealers having an office in the same city. The rating classification assigned to any outstanding long-term senior debt securities issued by such dealers shall be at least (x) Aa or higher as determined by Moody's Investors Service, Inc. ("Moody's") (2) AA or higher as determined by Standard & Poor's Corporation ("S&P") or (3) an equivalent investment grade rating determined by a nationally-recognized rating service acceptable to both parties and Insurer, provided however, that, in any case, if Market Quotation cannot be determined by four (4) such dealers, the party making the determination of the Market Quotation may designate, with the consent of the other party and Insurer, one (1) or more leading dealer whose long-term senior debt bears a lower investment grade rating.
- (iii) Section 8(b) of this Agreement is hereby amended by adding the phrase "and their respective Credit Support Providers" following after the word "parties" in the second line thereof.
- (iv) No amendment, modification, supplement or waiver of this Agreement will be effective unless in writing and signed by each of the parties hereto and unless the parties hereto shall have obtained the prior written consent of Insurer.
- (v) If any Event of Default under Section 5(a) of this Agreement occurs with respect to Counterparty as the Defaulting Party or any Termination Event under Section 5(b) of this Agreement occurs with respect to Counterparty as the Affected Party, then Insurer (unless Insurer has failed to meet its payment obligations under the Swap Insurance Policy) shall have the right (but not the obligation) upon notice to Party A to designate an Early Termination Date with respect to Counterparty with the same effect as if such designation were made by Party A .
- (vi) Party A and Counterparty hereby acknowledge and agree that (a) Insurer shall be a third party beneficiary under any Insured Transaction and any Credit Support Document of Party A, entitled to enforce its rights thereunder and (b) Insurer's obligation with respect to Insured Transactions shall be limited to the terms of the Swap Insurance Policy.
- (vii) So long as the Swap Insurance Policy shall remain in effect, no Insured Transaction may be assigned by Counterparty without the prior written consent of Party A, which consent shall not be given without the prior written consent of Insurer.
- (viii) Party A and Counterparty hereby acknowledge that to the extent of payments made by Insurer to Party A under the Swap Insurance Policy, Insurer shall be fully subrogated to the rights of Party A against Counterparty under the Insured Transaction to which such payments relate including, but not limited to, the right to receive payment from Counterparty, the enforcement of any remedies and the recovery of all reasonable out-of-pocket expenses, including, but not limited to, the costs of collection. Party A hereby agrees to assign to Insurer its right to receive payment from Counterparty under any Insured Transaction to the extent of any payment thereunder by Insurer to

Party A and to execute all such instruments or agreements as Insurer deems reasonably necessary to effect such assignment. Counterparty hereby acknowledges and consents to the assignment by Party A to Insurer of any rights and remedies that Party A has under any Insured Transaction or any other document executed in connection herewith.

(ix) *Additional Termination Event* will apply. The following shall constitute Additional Termination Events in respect of Counterparty:

(a) Insurer fails to meet its payment obligations under its Swap Insurance Policy and such failure is continuing with respect to Insurer under the Swap Insurance Policy; provided, however, that, in any such case, either

(X) an Event of Default has occurred or is continuing with respect to Counterparty as the Defaulting Party; or

(Y) a Termination Event has occurred or is continuing with respect to Counterparty as the Affected Party.

For the purpose of the foregoing Termination Event, the Affected Party shall be Counterparty and any amounts payable by the Counterparty upon termination therefor shall be insured by Insurer.

(b) Insurer fails to maintain either:

(A) A financial strength rating of at least A3 from Moody's;

(B) a claims paying ability rating of at least A- from S&P; or

(C) an equivalent rating determined by a nationally-recognized ratings service acceptable to both parties,

provided, however, that in any such case, either

(X) an Event of Default has occurred and is continuing with respect to Counterparty as the Defaulting Party; or

(Y) a Termination Event has occurred and is continuing with respect to Counterparty as the Affected Party.

For the purpose of the foregoing Termination Event, the Affected Party shall be Counterparty and any amounts payable by Counterparty upon termination therefor shall be insured by Insurer.

(c) (A) Insurer consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation amalgamation, merger or transfer the resulting, surviving or transferee entity fails to assume all the obligations of the Insurer under the Swap Insurance Policy by operation of law or pursuant to an agreement reasonably satisfactory to Party A and (B) Counterparty fails, within 20 days of notice from Party A, to provide a replacement guarantee, letter of credit, surety bond, insurance policy or other credit enhancement instrument providing, in the reasonable opinion of Party A, support substantially the same as provided by the Swap Insurance Policy by a provider whose credit ratings are at least equal to those of the Insurer at the time of the replacement. For the purpose of this Termination Event, the Affected Party shall be Counterparty and any amounts payable by Counterparty upon termination therefor shall be insured by Insurer.

- (d) (A) Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for the Insurer to perform its obligations under the Swap Insurance Policy and (B) Counterparty fails, within 20 days of notice from Party A, to provide a replacement guarantee, letter of credit, surety bond, insurance policy or other credit enhancement instrument providing, in the reasonable opinion of Party A, support substantially the same as provided by the Swap Insurance Policy by a provider whose credit ratings are at least equal to those of the Insurer at the time of the replacement. For the purpose of this Termination Event, the Affected Party shall be Counterparty and any amounts payable by Counterparty upon termination therefor shall be insured by Insurer.
- (x) Notwithstanding Section 6 of this Agreement, any designation of an Early Termination Date in respect of the Insured Transactions by Insurer or by Party A with the consent of Insurer pursuant to paragraph (i) above shall apply only to the Insured Transactions and not to any other Transaction under this Agreement, unless Party A shall designate an Early Termination Date in respect of such other Transaction. Nothing contained in this paragraph (x) shall affect the rights of Party A under this Agreement to designate an Early Termination Date in respect of any Transaction other than the Insured Transactions, which designation shall not apply to the Insured Transactions unless expressly provided in such designation and unless Insurer shall have designated, or consented to the designation by Party A of an Early Termination Date in respect of the Insured Transactions in accordance with paragraph (i) above.
- (xi) Notwithstanding Section 2(c) of this Agreement, in no event shall either Party A or Counterparty be entitled to net its payment obligations in respect of the Insured Transactions against the payment obligations to the other party in respect of other Transactions under this Agreement if such Transactions are not Insured Transactions, nor may either Party A or Counterparty net the payment obligations of the other party under Transactions that are not Insured Transactions against the payment obligations of such party under Insured Transactions, it being the intention of the parties that their payment obligations under Insured Transactions be treated separate and apart from all other Transactions. Section 6(e) of this Agreement shall apply to all Insured Transactions with the same effect as if the Insured Transactions constituted a single master agreement. Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Transactions shall be determined without regard to any Transactions other than the Insured Transactions, it being the intention of the parties that their payment obligations under the Insured Transactions be treated separate and apart from all other Transactions unless otherwise specified in such other Transaction and agreed to in writing by Insurer.
- (xii) None of the rights and obligations of Insurer with respect to the Insured Transactions shall affect the rights and obligations of the parties hereto pursuant to any Transaction that is not an Insured Transaction.
- (xiii) Notice of any Change of Account under Section 2(b) shall be delivered or given to Insurer.
- (xiv) So long as the Swap Insurance Policy shall remain in effect, no Transfer under Section 7 of an Insured Transaction may occur without the prior written consent of Insurer, and such consent will not be unreasonably withheld.
- (xv) Pursuant to Section 8(c) of this Agreement, all obligations of the parties will survive the termination of any Transaction or the term of this Agreement so long as amounts owed under the Swap Insurance Policy remain outstanding.
- (xvi) For the purpose of Section 10(a) of the Agreement, all notices and communications shall be delivered or given to Party A, Counterparty and Insurer as set forth in Part 3(a) of this Schedule.

- (xvii) Notwithstanding Section 2(a)(ii) of this Agreement, Party A shall not suspend and shall suspend if so directed by Insurer any payments due under an Insured Transaction under Section 2(a)(iii) unless Insurer is in default in respect of any payment obligations due under the Swap Insurance Policy.
- (xviii) No notice of an Event of Default or Termination Event shall be effective against Counterparty unless such notice is given to Insurer.
- (xix) Notwithstanding anything to the contrary in Section 6(a) or Section 6(b), no such designation of an Early Termination Date by Counterparty pursuant to Section 6(a) or Section 6(b) shall be effective if a Settlement Amount would be payable by Counterparty to Party A pursuant to Section 6(e) unless Counterparty provides evidence satisfactory to Party A and Insurer that: (A) the payment is required to be made pursuant to Section 6(d)(ii), (B) such payment will not cause Counterparty to be in default under the Financing Agreement or any other material agreement of Counterparty, and (C) Counterparty demonstrates to the Insurer's satisfaction that it has immediately available funds to pay such Settlement Amount.
- (xx) Counterparty agrees to reimburse Insurer, solely from amounts available to the Counterparty under the Financing Agreement, immediately and unconditionally upon demand for all reasonable expenses incurred by Insurer in connection with the issuance of the Swap Insurance Policy and the enforcement by Insurer of Counterparty's obligations under this Agreement and any other documents executed in connection with the execution and delivery of this Agreement, including, but not limited to, fees (including professional fees), costs and expenses incurred by Insurer which are related to, or resulting from any breach by Counterparty of its obligations hereunder.
- (xxi) Counterparty hereby covenants and agrees that it shall reimburse Insurer, solely from amounts available to the Counterparty under the Financing Agreement, for any amounts paid by Insurer under the Swap Insurance Policy and all costs of collection thereof and enforcement of this Agreement at the Insurer Payment Rate (as hereinafter defined). For purposes of the foregoing, "Insurer Payment Rate" shall mean the lesser of (a) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A. ("Chase") at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by Chase) plus 3 percent and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Insurer Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event that Chase ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as Insurer shall specify.

[Remainder of Page Intentionally Left Blank]

The parties executing this Schedule have executed the Master Agreement and have agreed as to the contents of this Schedule.

GOLDMAN SACHS MITSUI MARINE DERIVATIVE
PRODUCTS, L.P.

By: _____
Name:
Title:
Date:

NEW YORK STATE
URBAN DEVELOPMENT CORPORATION

By: _____
Name:
Title:
Date:

EXHIBIT A

[Form Of Confirmation]

[Note: This Is A Sample Confirmation Only.

Actual Confirmation May Change Substantially.]

[LETTERHEAD OF PARTY A]

_____, 2002

New York State Urban Development Corporation

[Address]

Dear Sirs:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction (the "Transaction") entered into between ("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 26, 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:

Trade Date: _____, 200__

Effective Date: November 26, 2002

Termination Date: _____,

Fixed Amounts:

Fixed Rate Payer: Party B

Fixed Rate Payer Payment Dates: Each January 1 and July 1 commencing July 1, 2003, with the final Payment Date being January 1, 2030, [not] subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Each January 1 and July 1, commencing July 1, 2003. No Adjustment shall apply to Period End Dates.

Fixed Rate: _____ %.

Fixed Rate Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: The first day of each month commencing January 1, 2003, with the final Payment Date being January 1, 2030, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: The first day of each month, commencing January 1, 2003. No adjustment shall apply to Period End Dates.

Floating Rate Option:

Floating Rate Day Count Fraction: Actual/Actual

Method of Calculation: Weighted Average

Reset Dates: The __ day of each _____ on and after the Effective Date. For purposes of this provision, "Business Day" means any day other than a Saturday, a Sunday, a day on which commercial banks in New York City are required to be closed or a day on which the New York Stock Exchange is closed.

3. Credit Support Document: For purposes of this Confirmation, the Guarantee, a form of which is attached as Exhibit B to the Agreement, and the credit support annex, a form of which is attached as Exhibit D to the Agreement, shall each constitute a Credit Support Document for Party A.

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

5. The Calculation Agent shall calculate the amounts due from Party B to Party A on each Fixed Rate Payer Payment Date and shall calculate the amounts due from Party A to Party B on each Floating Rate Payer Payment Date. At least five (5) Business Days prior to each Floating Rate Payer Payment Date, the Calculation Agent shall inform Party A and Party B of the amount due from one party to the other on such Floating Rate Payer Payment Date; provided that failure to give such notice within such time period shall not constitute an Event of Default hereunder.

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,

GOLDMAN SACHS MITSUI MARINE DERIVATIVE PRODUCTS, L.P.

By: _____

Name:

Title:

Confirmed as of the date first above written

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

By: _____

Name:

Title:

EXHIBIT B

[Form Of Guarantee Of Party A
To Be Provided By Party A]

EXHIBIT C

Dear Sirs:

This opinion is furnished to you pursuant to the Agreement dated as of [DATE], (the "Agreement") between Party A and Party B. Terms defined in the Agreement and used but not defined herein have the meanings given to them in the Agreement.

We have acted as counsel to [X] in connection with the preparation, execution and delivery of the Agreement. In that connection [we] [I or my staff working under my supervision] have examined such documents as we have deemed necessary or appropriate for the opinions expressed herein.

The opinions set forth herein are limited to the laws of the State of and the federal laws of the United States.

Based on the foregoing and upon such investigations as we have deemed necessary, we are of the opinion that, subject, in the case of the opinions set forth in paragraph 4 below, to the qualifications set forth in the last paragraph of this opinion:

- (1) [X] is duly organized, validly existing, [and in good standing] under the laws of its jurisdiction of incorporation and has the [corporate] power and authority to execute and deliver, and to perform its obligations under, the Agreement.
- (2) The execution and delivery of the Agreement by [X], [and any other agreement which [X] has executed and delivered pursuant thereto,] and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent constitutional documents) or any law, regulation or contractual restriction binding on or affecting it or its property.
- (3) All consents, authorizations and approvals required for the execution and delivery by [X] of the Agreement, and any other agreement which [X] has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with any governmental authority or regulatory body is required for such execution, delivery or performance.
- (4) The Agreement[, and any other agreement which [X] has executed and delivered pursuant thereto,] has been duly executed and delivered by [X] and constitutes the legal, valid and binding obligation of [X], enforceable against [X] in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

The opinions set forth in paragraph 4 above are subject to the qualification that we express no opinion regarding the legality, validity, binding effect or enforceability of Section 6(e) of the Agreement insofar as it purports to obligate a party, on termination of the Agreement, to pay an amount in excess of that measured by the lowest quotation from a Reference Market-maker. In addition, in connection with any such early termination on the grounds of default, a court might limit the non-Defaulting Party's recovery to its actual damages in the circumstances, imposing its own settlement procedures in lieu of the provisions of Section 6(e) of the Agreement.

Very truly yours,