AMENDED AND RESTATED SCHEDULE

dated as of February 9, 2005

to the

MASTER AGREEMENT

dated as of March 27, 2003

between

LEHMAN BROTHERS DERIVATIVE PRODUCTS INC. ("Party A"),

a corporation organized

under the laws of the State of Delaware

and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("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(d) of 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 Resolution and any interest rate exchange agreement executed by Party B that is payable from the source of payment specified in Section 4(d) 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 $35,000,000 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 the outstanding long term unsecured, unsubordinated, unenhanced debt of Party A, or upon the occurrence of a Credit Assignment Event as provided in Section 7 of this Agreement of Party A's Credit Support Provider, 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, Inc. (or any successor) ("Moody's"), or Fitch Investor's Service (or any successor) ("Fitch") at least BBB, Baa2 or BBB, as applicable, <u>or</u> the unenhanced, unsubordinated Specified Indebtedness of Party B or the outstanding long term unsecured, unsubordinated, unenhanced debt of Party A, or upon the occurrence of a Credit Assignment Event as provided in Section 7 of this Agreement of Party A's Credit Support Provider, 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 reasonably acceptable to Party A 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, <u>or</u> 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 (i) the Insurer fails to make a payment due under its Swap Insurance Policy or (ii) its financial strength rating from S&P is below A- <u>and</u> its claims paying ability rating from Moody's is below A3.

(iii) The occurrence of a Trigger Event shall constitute an Additional Termination Event:—

(a) ***Trigger Events.*** Each of the following events shall constitute a Trigger Event:

(1) **Downgrade.** Party A ceases to maintain a Single A Quality financial program, counterparty or similar rating from both of the Relevant Rating Agencies;

(2) **Failure To Deliver Collateral.** LBSF shall fail to deliver, or procure delivery of, collateral to Party A in the amounts and within the time (subject to any applicable cure period) required by the LBSF Collateral Agreement dated July 16, 1998, between Party A and LBSF, as amended from time to time without the consent of, or notice to, Party B;

(3) **Bankruptcy.** Lehman Brothers Holdings Inc. ("Holdings"), or LBSF: (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (G) inclusive; or (I) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; and

(4) **Capital Requirement.** Party A shall fail to maintain capital in the amount contemplated by the LBDP Operating Guidelines dated July 16, 1998, as amended from time to time without the consent of, or notice to, Party B.

(b) ***Event of Default or Other Termination Event After Trigger Event.*** If a Trigger Event shall have occurred and an event or circumstance which would otherwise constitute or give rise to (1) an Event of Default with Party A as the Defaulting Party (other than an Event of Default pursuant to Sections 5(a)(vii) or 5(a)(ix)); (2) a Termination Event other than a Trigger Event shall occur, or (3) a Credit Assignment Event (as defined in part 5(a)(i) hereof), such Trigger Event will prevail and such other event or circumstance will not constitute an Event of Default, a Termination Event or a Credit Assignment Event, as the case may be.

(c) ***Effect of Trigger Event.*** Notwithstanding anything to the contrary contained in this Agreement, if a Trigger Event occurs the following provisions shall apply:

(1) **Notice.** Party A shall, within one Business Day of becoming aware of such occurrence, notify Party B by facsimile transmission or electronic messaging system (the date such notice is transmitted, the "Notice Date"), specifying the nature of the Trigger Event and designating the Early Termination Date in respect of all Transactions. The Early Termination Date so designated shall be no later than the fifth Universal Business Day following such Notice Date. The Early Termination Date so

designated shall be subject to change as specified in paragraph (g)(iii)(c)(4)(a) below and, in the case of affected Transactions only, as specified in paragraph (g)(iii)(c)(4)(b) below.

(2) **Market Quotation.** For the purposes of determining the Settlement Amount pursuant to Section 6(e)(ii)(3), the "Market Quotation" of a Terminated Transaction (which may be positive or negative) shall be the amount determined by Party A, using Market Rates and Volatilities and by polling the Dealer Group as required, to be the mid-market value of the Transaction as of the close of business (New York time) on the Early Termination Date. Party A shall perform such determinations in good faith in accordance with its usual operating procedures and pursuant to industry standards. For purposes of this definition, if the Market Quotation of a Terminated Transaction represents an amount payable to Party A, it shall be expressed as a negative number, and if the Market Quotation represents an amount payable to Party B, it shall be expressed as a positive number. For purposes of determining the Settlement Amount, Unpaid Amounts (which shall be determined by Party A) in respect of the Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after the Early Termination Date is to be included. Party A shall notify Party B of the Market Quotation of each Terminated Transaction, the Settlement Amount and the Termination Currency Equivalent of any Unpaid Amounts within two Business Days following the Early Termination Date.

(3) **Payment Date.** The amount calculated as being due as a result of a Termination Event that arises as a result of a Trigger Event pursuant to Section 6(e)(ii)(3) will be payable, in the case of an amount due and owing to Party A, within five Universal Business Days following the Early Termination Date, and in the case of an amount due and owing to Party B, within ten Universal Business Days following the Early Termination Date. Party A and Party B agree that the party that is required to pay such amount shall be required to pay interest on such amount for the period from (and including) the Early Termination Date to (but excluding) the date payment is required to be made, at the Agreed Interest Rate. If either party fails to pay such amount on the due date, such failure shall constitute a breach of this Agreement, but shall not constitute an Event of Default (including an Event of Default pursuant to Section 5(a)(i) or 5(a)(ii)) for purposes of this Agreement. In the event of any such failure by either party, such party shall be required to pay interest on such overdue amount for the period from (and including) such due date to (but excluding) the date of actual payment, at the default rate, which is the Agreed Interest Rate plus 3% per annum. Interest payable under this paragraph will be calculated on the basis of daily compounding and the actual number of days elapsed divided by 360.

(4) **Effect of Market Disruption Event.**

(a) In the event that a Market Disruption Event exists on any Early Termination Date, such date shall not be an Early Termination Date for any outstanding Transaction. In such event Party A shall notify Party B and the earlier to occur of (i) the next succeeding Universal Business Day on which a Market Disruption Event does not exist and (ii) the eighth Universal Business Day following the day on which notice of the occurrence of a Trigger Event was given shall be considered the Early Termination Date for all outstanding Transactions and a Settlement Amount shall be obtained for that Early Termination Date in accordance with the terms set forth in this paragraph (j). As used herein, "Market Disruption Event" means any of the following events, the existence of which shall be determined by Party A: (i) any suspension or material limitation of trading (excluding daily settlement limits in the normal course of trading) on the New York Stock Exchange, London Stock Exchange or other recognized stock exchange the effect of which on financial markets makes it impracticable or inadvisable, in the view of Party A, to proceed with the determination of the Settlement Amount, (ii) the declaration of a banking moratorium by the Bank of England, United States federal authorities, New York State or other recognized international, national or regional banking authority authorities to the effect of which on financial markets makes it impracticable or inadvisable, in the view of Party A, to proceed with the determination of the Settlement Amount, (iii) the occurrence of any outbreak or escalation of hostilities or a declaration by the United States of a national emergency or war the effect of which on financial markets makes it impracticable or inadvisable, in the view of Party A, to proceed with the determination of the Settlement Amount, or (iv) the occurrence of any other calamity or crisis or any other event the effect of which, in the view of Party A and a majority of eleven randomly selected unaffiliated Qualified Counterparties of Party A (who are not Affiliates of Party

A) whose Settlement Amounts otherwise would have been determined on such Early Termination Date, makes it impracticable or inadvisable to proceed with the determination of such Settlement Amounts on such Early Termination Date.

(b) If on an Early Termination Date as to which there is no Market Disruption Event, there are conditions in a local market that, in the judgment of Party A, materially would impede its ability to determine the Market Quotation for certain Transactions in that market (a "Local Market Disruption Event"), Party A shall notify Party B of those conditions no later than one hour prior to the scheduled time for determining the Market Quotation for such affected Transactions on that date. Upon receipt of such notice, Party B shall have the right to delay the Early Termination Date for the affected Transactions (without affecting the Early Termination Date for any other Transactions under this Agreement) by notifying Party A in writing within one hour of its election to exercise that right. In such event, the Early Termination Date for each such affected Transaction shall be the next day on which Party A and Party B agree that the Local Market Disruption Event ceases to exist, but in any case not later than the due date for Settlement Amount payments owed to Party A with respect to unaffected Transactions as provided in paragraph (g)(iii)(c)(3). Market Quotations so obtained for any affected Transaction shall be included in the calculation of the Settlement Amount to be paid as provided in paragraph (g)(iii)(c)(3). No delay in the Early Termination Date for any affected Transaction as provided above shall affect the days on which payments would otherwise be required to be made pursuant to paragraph (g)(iii)(c)(3) had no such delay occurred, it being understood, however, that interest shall begin to accrue pursuant to such paragraph with respect to any such affected Transaction only from (and including) the delayed Early Termination Date.

(5) **Payments on Early Termination.** This Agreement shall be amended by adding the following new subsection (3) to Section 6(e)(ii):

"(3) *Trigger Event.* If an Early Termination Date results from a Trigger Event, Party A shall determine the Settlement Amount of all Terminated Transactions on such date, and the amount payable will be equal to (A) the Settlement Amount in respect of the Terminated Transactions plus (B) the Termination Currency Equivalent of Unpaid Amounts owing to Party B minus (C) the Termination Currency Equivalent of Unpaid Amounts owing to Party A. If that amount is a positive number, Party A will pay it to Party B; if it is a negative number, Party B will pay the absolute value of that amount to Party A. For purposes of determining the Settlement Amount under this subsection, clause (b) of the definition of Settlement Amount shall not apply."

(d) ***Additional Definitions.*** As used in this Schedule, the following terms shall have the following meanings:

"Agreed Interest Rate" for any day means the overnight ask rate in effect for such day, as set forth opposite the caption "ON" under the heading "Euro-Dollar" on Telerate Page 4756 (or any successor page thereto), as of 11:00 a.m., New York time, on such day.

"Business Day" means any day other than a Saturday or Sunday on which banks in New York are not required or authorized by law to be closed.

"Dealer Group" means the following entities and such other entities as may be selected by Party A from time to time: J.P. Morgan Chase, Citibank, N.A., Barclays Bank PLC, Merrill Lynch Capital Services, Inc., Deutsche Bank, National Westminster Bank PLC, Banque Nationale de Paris, HSBC, Westpac Bank Corp., Goldman, Sachs & Co. and Banque Paribas.

"LBSF" means Lehman Brothers Special Financing Inc.

"Market Rates and Volatilities" means, in the case of interest rates and volatilities, the interest rates and volatilities obtained from the Telerate and Reuters screens where practicable and from polling the Dealer Group and, in the case of foreign exchange rates and volatilities and other pricing parameters, the foreign exchange rates and volatilities or pricing parameters obtained from polling the Dealer Group. In each case,

for all rates, volatilities or other parameters obtained, at least five members of the Dealer Group shall be polled, the highest and lowest of such returns (including, in the case of interest rates and volatilities, the rates and volatilities obtained from the Telerate and Reuters screens, if any) shall be discarded and the simple mathematical average of the remaining values shall be used to perform the applicable determination.

"Person" means any individual, partnership, joint venture, firm, corporation, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Relevant Rating Agencies" means, S&P and Moody's, or such of them as then assigns a financial program, counterparty or similar rating to Party A at Party A's request, or any other nationally recognized rating agency then rating Party A at Party A's request (each, individually, a Relevant Rating Agency).

"Single A Quality" means, in the case of S&P, A, in the case of Moody's, A, in the case of Fitch, A, and, in the case of any other Relevant Rating Agency, a designation of similar quality.

"Universal Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Frankfurt, London, New York, Tokyo and the city in which Party B's head or home office is located.

(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); provided, however, that notwithstanding the foregoing, an Event of Default shall not occur if, as demonstrated to the reasonable satisfaction of Party B, (a) the event or condition or the failure to pay is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to Party A to enable it to make the relevant payment when due; and (c) such relevant payment is made within three Business Days following receipt of written notice from an interested party of such failure to pay; 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 any 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; provided, however, that notwithstanding the foregoing, an Event of Default shall not occur if, as demonstrated to the reasonable satisfaction of Party A, (a) the event or condition or the failure to pay is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to Party B to enable it to make the relevant payment when due; and (c) such relevant payment is made within three Business Days following receipt of written notice from an interested party of such failure to pay;".

(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***. Except as provided in the following sentence, 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. Notwithstanding Part 4(j)(xii) of this Schedule, Party B may set off against any termination amount payable by or owed to it under this Agreement, any termination amount owed to or payable by it under each ISDA Master Agreement between Party A and Party B dated as of March 27, 2003, December 17, 2003, February 9, 2005 and [February 17, 2005], and, with the prior written consent of the Insurer, any termination amount owed to it or payable by it under any other ISDA Master Agreements between Party A and Party B. Party B agrees that it shall exercise such right of set off in a manner that does not violate or breach (i) the Resolution or the Financing Agreement, (ii) the resolution, indenture or similar document or the financing agreement, service contract or similar agreement defined or described in any such other interest rate exchange agreement or (iii) applicable law. In connection with any set-off against termination amounts that are insured by the Insurer, Party A and Party B agree that the Insurer will be fully released by them from any obligation to pay a termination amount that has been set off against amounts owed by Party A (to the extent of the amount set-off) and any set-off will constitute full satisfaction of such amounts."

"(g) ***Optional Termination by Party B***. Party B may, upon at least five (5) Business Days' written notice to Party A and the Insurer, terminate all or a portion of 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 and the Insurer that Party B has or will have on the termination date available funds without regard to any swap insurance policy with which to pay 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 A and 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 A	A guaranty of Holdings in the form of Exhibit B attached hereto.	Upon substitution of LBSF for Party A pursuant to Section 7(c) of this Agreement.	Yes
Party A and Party B	With respect to Party A, a copy of its most recent annual report (and each annual report thereafter), and with respect to Party B, a copy of the most	Promptly after request by the other party.	Yes

	recent audited annual financial statements of Party B and 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.		
Party A	A copy of its unaudited consolidated financial statement, for each semiannual period in 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.	Promptly after request by the other party.	Yes
Party A and Party B	Such other documents as the other party may reasonably request	Promptly after request by the other party.	Yes
Party A and Party B	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 and the Insurer.	Upon execution of this Agreement and each Confirmation and upon substitution of LBSF for Party A pursuant to Section 7(c) of this Agreement.	No

Part 3. Miscellaneous.

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

Address for notices or communications to Party A:

Address: 745 Seventh Avenue, 5th Floor
New York, NY 10019

Attention: Municipal Financial Products – Middle Office

Fax No.: 646) 758-2988

Telephone No.: (212) 526-2240

Address for notice or communications to Party B:

Address: Dormitory Authority of the State of New York
515 Broadway, 5th Floor
Albany, New York 12207

Attention: Linda H. Button
Assistant Director, Financial Management

Fax No.: (518) 257-3626

Telephone No.: (518) 257-3562

E-mail: var.rates@dasny.org

Each party agrees to send a copy of all notices or communications sent by such party to the other party to the Insurer at the address set forth in the applicable Confirmation.

(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 credit support annex attached as Exhibit D; provided that, from and after the substitution of LBSF for Party A hereunder pursuant to Part 4(c)(c) of this Schedule, the Credit Support Document applicable in the case of Party A shall also be the Guarantee of Holdings in the form of Exhibit B to this Schedule.

(e) ***Credit Support Provider.*** Credit Support Provider means in relation to Party A: Not applicable; provided that, from and after the substitution of LBSF for Party A hereunder pursuant to Part 4(c)(c), the Credit Support Provider in relation to Party A shall be Holdings.

(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: Lehman Brothers Derivative Products Inc.
Name of Bank: JPMorgan Chase
Account No.:066-902622
Fed ABA No.:021000021

Payments to Party B:

Name of Bank: The Bank of New York
Account No.: 101065
Fed ABA No.: 021 000 018
GLA No.: 111-565
Account Name: DASNY CUNY SWAP Recpt AC
Attention: S. Vaccarello

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), 3(e) and 3(f), 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 Contract 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.*** With respect to Party B, 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. With respect to Party A, this Agreement has been, and each Transaction hereunder will be (and, if applicable, has been), entered into in conjunction with its line of business and in furtherance of its business purposes."

"**(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(d) "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 (d), (e) and (f) thereto:

"(d) ***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 City University Construction Fund pursuant to the Financing Agreement. Payments to Party B under the Financing Agreement are subject to annual appropriation by the State of New York and The City of New York. The obligations of Party B under this Agreement do not constitute an enforceable obligation or a debt of the State of New York or The City of New York or any other unit of local government of the State of New York, nor shall the State of New York or The City of New York or any other unit of local government of 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 sentences and neither the faith and credit nor the taxing power of the State of New York or any such unit of local government is pledged to the payment of the obligations of Party B hereunder."

"(e) ***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."

"(f) ***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 and the Insurer. Party B agrees to enforce all provisions of the Financing Agreement relating to the performance of its obligations hereunder.

Party B will not during the term of this Agreement grant to any person a right of payment from or security interest in money payable by the CUNY Construction Fund pursuant to Section 5.01(b)(i), (ii), (iii), (v), (vi) or (vii) (the "Covered Annual Expenditures")of the Financing Agreement or from money payable by the CUNY Construction Fund pursuant to any Prior Agreement or Future Agreement (as such terms are defined in the

Financing Agreement) on account of any expenditure comparable to the Covered Annual Expenditures, that is prior to Party A's right to payment from or interest in such money unless either Party B obtains the prior consent of Party A or, in the case of Party B granting another party a security interest in such amounts, grants to Party A a parity security interest."

(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);

(c) ***Credit Assignment Events.***

(A) Credit Assignment Event with respect to Party B.

(1) A "Credit Assignment Event" with respect to Party B shall occur if at any time during the term of this Agreement, either Party B or the Insurer ceases to maintain the Minimum Rating Requirement (as defined below). Following the occurrence of a Credit Assignment Event, the rights and obligations of Party A under this Agreement and all Transactions hereunder shall automatically, and without any further action by any party, be deemed to have been assigned and delegated to LBSF, effective on the third Business Day following notification by Party A to Party B of such assignment and Party B expressly and irrevocably consents to such assignment and assumption, except that no such assignment and assumption shall occur at any time after the occurrence of any event of default under any master agreement between Party A and LBSF. As of and from the effective date of such assignment, LBSF shall succeed to all rights and obligations of Party A under this Agreement and all Transactions hereunder. Notwithstanding the above, if at the time of such assignment LBSF and Party B are parties to a master agreement that sets forth general terms and conditions applicable to swap and related transactions between LBSF and Party B, the Transactions hereunder transferred to LBSF pursuant to the above provision will be governed by such master agreement.

"**Minimum Rating Requirement**" means (A) with respect to the Insurer, a claims paying ability rating by Moody's (if Moody's provides a rating) of at least Aa3 or a financial strength rating of at least AA- by S&P (if S&P provides a rating) or (B) with respect to Party B, a long-term rating for the bonds (without credit enhancement) issued under the Resolution by Moody's (if Moody's provides a rating) of at least A3 or by S&P (if S&P provides a rating) of A-. For the avoidance of doubt, the Insurer will satisfy the Minimum Rating Requirement unless its claims paying ability rating from Moody's is below Aa3 and its financial strength rating from S&P is below AA-.

(2) Party A represents that it has provided separate consideration to LBSF for the right to assign this Agreement and the Transactions hereunder to LBSF pursuant to clause (i), and Party B shall not owe Party A any termination or other payment upon any such assignment.

(3) Notwithstanding clause (1) above, no assignment of any Transaction to LBSF shall occur if, prior to the effective date of the assignment described in such clause (1), Party B notifies Party A that Party B agrees to (A) terminate all Transactions as if a Termination Event has occurred with Party B as the Affected Party or (B) assign all Transactions to a third party on terms acceptable to Party A and Party B.

(4) Notwithstanding clause (1) above, no assignment of any Transaction to LBSF shall occur if, as a result of such assignment, an Event of Default or Termination Event would occur with respect to Party A as the Defaulting Party or the Affected Party. In addition, notwithstanding clause (1) above, no assignment of any Transaction to LBSF shall occur unless the LBSF delivers the Guaranty of Holdings on or prior to the effective date of the assignment.

(5) Notwithstanding clauses (1) through (3) above, no transfer or assignment payment shall be due to or owing from either Party A or Party B other than its obligations under the Transactions.

(6) Notwithstanding the foregoing, the assignment provisions of this paragraph shall not take effect if, at the time such assignment would be required, Party B shall have satisfied in full all of its payment obligations under Section 2(a) of this Agreement and shall at such time have no future payment obligations, whether absolute or contingent, under such Section.

(7) Upon an assignment pursuant to this Section 7(c), (1) a Trigger Event shall cease to constitute an Additional Termination Event, and (2) Part 1(g)(iii) of the Schedule shall cease to apply.

(B) Credit Assignment Event with respect to Party A.

(1) A "Credit Assignment Event" with respect to Party A shall occur if the financial strength ratings assigned by S&P or Moody's to Party A shall be below "AAA."

(2) Following such Credit Assignment Event, Party A at the direction of Party B (in its discretion or at the direction of the Insurer) shall assign its rights and obligations hereunder to LBSF as provided in Section 7(c)(A)(1) above.

(3) Section 7(c)(A)(2), (3), (4), (5) and (6) above shall apply to such assignment.

(d) Party B may transfer all of 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;

(8) the Transferee is organized under the laws of the United States or a state thereof; and

(9) the prior written consent of the Insurer is obtained.

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 Agreement and Lease, dated as of January 22, 2003, among Party B, the City University Construction Fund and the City University of New York, as amended and supplemented from time to time.

"Government Entity" means Party B.

"Incipient Illegality" means (i) any assertion by an officer of a party in his or her official capacity on behalf of such party in any legal proceeding or action in respect of such party, to the effect that performance by such party under this Agreement or similar agreements is unlawful and (ii) the enactment of legislation by the legislature (e.g., in the case of the State of New York, both the New York State Senate and the New York State Assembly and in the case of the United States, both the United States Senate and the U.S. House of Representatives) that is not vetoed and has not become law for 60 days which, if adopted as law, would render unlawful (a) the performance by a party of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or the compliance by a party with any other material provisions of this Agreement relating to such Transaction or (b) the performance by a party or a Credit Support Provider of such party of any contingent or other obligation which such party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction.

"Resolution" means the City University System Consolidated Third General Revenue Bond Resolution, adopted May 25, 1994, as amended and supplemented from time to time, and the City University System Consolidated Fifth General Revenue Bond Resolution, adopted January 22, 2003, as amended and supplemented from time to time.

(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 the insurer named in the Confirmation for such Transaction (together with any successor, the "Insurer") to the account of Party B, 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 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 Party B 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 Party B 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) an Additional Termination Event under Part 4(j)(x) has occurred and is continuing; or

(Z) Insurer has otherwise consented in writing to such designation.

Amounts payable by Party B to Party A upon termination shall not be insured by the Swap Insurance Policy except as provided in Part 4(j)(ii).

(ii) Notwithstanding anything in this Agreement, if any Event of Default under this Agreement occurs, with Party B as the Defaulting Party, then the Insurer (unless an Additional Termination Event described in Part 4(j)(x) has occurred and is continuing) shall have the right (but not the obligation) upon notice to Party A to designate an Early Termination Date with respect to Party B with the same effect as if such designation were made by Party A. For purposes of the foregoing sentence, an Event of Default with respect to Party B shall be considered to be continuing, notwithstanding any payment by the Insurer under the Swap Insurance Policy. Party A and Party B acknowledge that, except as the Swap Insurance Policy may be otherwise endorsed, unless the Insurer designates an Early Termination Date (as opposed to merely consenting to such designation by one of the parties) termination payments due from Party B because an Early Termination Date has been designated will not be insured.

(iii) Party A and Party B hereby each acknowledge and agree that Insurer's obligation with respect to Insured Transactions shall be limited to the terms of the Swap Insurance Policy. Notwithstanding Section 2(e) or any other provision of this Agreement, Insurer shall not have any obligation to pay interest on any amount payable by Party B under this Agreement.

(iv) 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 (1) Aa2 or higher as determined by Moody's Investors Service, Inc. (or any successor) ("Moody's") (2) AA or higher as determined by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (or any successor) ("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 dealers whose long-term senior debt bears a lower investment grade rating.

(v) Section 8(b) of this Agreement is hereby amended by (A) adding the phrase "or any Credit Support Document" after the word "Agreement" in the first line thereof and (B) adding the phrase "and their respective Credit Support Providers" following after the word "parties" in the second line thereof.

(vi) 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.

(vii) Party A and Party B hereby each acknowledge and agree that Insurer shall be an express third-party beneficiary (and not merely an incidental third-party beneficiary) of this Agreement and the obligations of such party under any Insured Transaction, and as such, entitled to enforce this Agreement and the terms of any such Insured Transaction against such party on its own behalf and otherwise shall be afforded all remedies available hereunder or otherwise afforded by law against the parties hereto to redress any damage or loss incurred by Insurer 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 such party of its obligations hereunder.

(viii) So long as the Swap Insurance Policy shall remain in effect, no Insured Transaction may be assigned or transferred by Party B or Party A without the prior written consent of Insurer other than as provided in Section 7(a), (b) or (c).

(ix) Party A and Party B 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 Party B under the Insured Transaction to which such payments relate, including, but not limited to, the right to receive payment from Party B and the enforcement of any remedies. Party A hereby agrees to assign to Insurer its right to receive payment from Party B 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. Party B 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.

(x) *Additional Termination Event* will apply. The following shall constitute Additional Termination Events in respect of Party B (and amounts payable by Party B to Party A upon such termination shall not be insured by the Swap Insurance Policy):

(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 Party B as the Defaulting Party; or

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

For the purpose of the foregoing Termination Event, the Affected Party shall be Party B.

(b) Insurer's financial strength rating from S&P is below A- and Insurer's claims paying ability rating from Moody's is below A3;

provided, however, that in any such case, either

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

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

For the purpose of the foregoing Termination Event, the Affected Party shall be Party B.

(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) Party B 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 Party B.

(d) (A) The entry of a non-appealable order of a court of competent jurisdiction that the Swap Insurance Policy is invalid and (B) Party B 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 Party B.

(xi) 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 (xi) 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 or such designation of an Early Termination Date is otherwise permitted under paragraph (i) or (x).

(xii) Except as provided in Section 6(f), in no event shall either Party A or Party B be entitled to net or set off the payment obligations of the other party that are not with respect to 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 obligations. Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Transaction shall be determined without regard to any obligation other than those under 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 obligations unless otherwise specified in such other obligation and agreed to in writing by Insurer.

(xiii) 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.

(xiv) Notice of any Change of Account under Section 2(b) shall be delivered or given to Insurer.

(xv) Notwithstanding anything in this paragraph (j) to the contrary, Party A may terminate Insured Transactions pursuant to Part 1(g)(iii) of this Schedule without the consent of the Insurer.

(xvi) 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 or under Part 4(j)(xxi) of this Agreement remain outstanding.

(xvii) For the purpose of Section 10(a) of the Agreement, all notices and communications shall be delivered or given to Party A, Party B and Insurer as set forth in Part 3(a) of this Schedule.

(xviii) Notwithstanding Section 2(a)(iii) of this Agreement, Party A shall not suspend 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.

(xix) No notice of an Event of Default or Termination Event shall be effective against Party B unless such notice is given to Insurer.

(xx) Party B agrees to reimburse Insurer, solely from amounts available to Party B 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 Party B'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 Party B of its obligations hereunder.

(xxi) Party B hereby covenants and agrees that it shall reimburse Insurer, solely from amounts available to Party B 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 greater of (i) 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 (ii) the then highest rate of interest on the Bonds 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.

(xxii) Each party agrees that each of its representations and agreements in this Agreement is expressly made to and for the benefit of the Insurer

(xxiii) Each party agrees to send a copy of all notices or communications sent by such party to the other party, to the Insurer at the address set forth in the applicable Confirmation.

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

LEHMAN BROTHERS DERIVATIVE PRODUCTS INC.

By: _____
Name: T. Courtney Jenkins
Title: Vice President
Date:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Name:
Title:
Date:

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

LEHMAN BROTHERS DERIVATIVE PRODUCTS INC.

By: _____
Name:
Title:
Date:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Name: Cheryl Ishmael
Title: Managing Director of
Date: Public Finance

Acknowledged:

CDC IXIS Financial Guaranty North America, Inc.

By _____
Authorized Officer

Kathleen G. Cully
Managing Director and General Counsel

EXHIBIT A

[Form of Confirmation]

[Note: This Is A Sample Confirmation Only.

Actual Confirmation May Change Substantially.]

[LETTERHEAD OF PARTY A]

_____, 200__

Dormitory Authority of the State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

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 Dormitory Authority of the State of New York ("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 2000 Definitions and 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 _____, 2003, 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: _____, 200_

Termination Date: _____, 20__

Fixed Amounts:

Fixed Rate Payer: Party __

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

Fixed Rate Payer Period End Dates: Each _____ and _____, commencing _____. No Adjustment shall apply to Period End Dates.

Fixed Rate: %.

Fixed Rate
Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party __

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

Floating Rate Payer
Period End Dates: The first day of each month, commencing _____. 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. Payment Instructions: As are set forth in the Agreement

4. [The Insurer of the Transaction described in this Confirmation is _____ and its address is _____.] [The Transaction described in this Confirmation is not an Insured Transaction.]

5. **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 Dormitory Authority of the State of New York [NAME OF BONDS] (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] [CLOSING 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 this Transaction in reliance upon such representation.

[6. 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,

[PARTY A]

By:_____
Name:
Title:

Confirmed as of the date first above written

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By:_____
Name:
Title:

EXHIBIT B

[Guarantee of Lehman Brothers Holdings Inc.

To Be Provided By Party A]

EXHIBIT C

Ladies and Gentlemen:

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 New York 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,