

# BEAR STEARNS

BEAR STEARNS FINANCIAL PRODUCTS INC.  
SUITE 2700  
383 MADISON AVENUE  
NEW YORK, NEW YORK 10179  
(212) 272-2000

## CONFIRMATION

**DATE:** July 1, 2003

**TO:** The Dormitory Authority of the State of New York  
**ATTENTION:** Linda H. Button, Assistant Director, Financial Management

**TELEPHONE:** (518) 257-3562  
**FACSIMILE:** (518) 257-3626

**FROM:** Derivatives Documentation  
**TELEPHONE:** 212-272-4163  
**FACSIMILE:** 212-272-9594

**SUBJECT:** Fixed Income Derivatives Confirmation

### REFERENCE NUMBER(S): FXNEC5301- DRAFT

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") between Bear Stearns Financial Products Inc. ("BSFP") and The Dormitory Authority of the State of New York ("Counterparty"). This letter agreement constitutes the sole and complete "Confirmation," as referred to in the Master Agreement specified below, with respect to this Transaction.

This Confirmation is subject to and incorporates the *2000 Definitions* and the *1992 ISDA U.S. Municipal Counterparty Definitions* (collectively the "Definitions"), each as published by the International Swaps and Derivatives Association, Inc. ("ISDA"). This Confirmation supplements, forms a part of and is subject to the ISDA Master Agreement dated as of July 1, 2003 between BSFP and Counterparty (the agreement, as amended and supplemented from time to time, being referred to herein as the "Master Agreement"). All provisions contained in, or incorporated by reference to, the Master Agreement shall govern the Transaction referenced in this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and the Definitions or Master Agreement, this Confirmation shall prevail.

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

Notional Amount: (i) USD 183,000,000.00 for the initial Calculation Period,  
and  
(ii) the amount as detailed in the Schedule of Notional  
Amounts attached hereto.

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Trade Date: July 1, 2003

Effective Date: July 15, 2003

Termination Date: February 15, 2031 (such date shall be subject to adjustment in accordance with the Business Day Convention).

**Fixed Amounts:**

Fixed Rate Payer: Counterparty

Fixed Rate Payer  
Payment Dates: The 15<sup>th</sup> day of each February and August during the Term of this Transaction, commencing February 15, 2004 subject to adjustment in accordance with the Business Day convention.

Fixed Rate Payer  
End Dates: The 15<sup>th</sup> day of each February and August during the Term of this Transaction, commencing February 15, 2004, not subject to adjustment in accordance with the Business Day Convention.

Fixed Rate: 3.044%

Fixed Rate Day  
Count Fraction: 30/360

**Floating Amounts:**

Floating Rate Payer: BSFP

Floating Rate Payer  
Payment Dates: The 15<sup>th</sup> day of each month during the Term of this Transaction, commencing August 15, 2003 subject to adjustment in accordance with the Business Day Convention.

Floating Rate Payer  
Period End Dates: The 15<sup>th</sup> day of each month during the Term of this Transaction, commencing August 15, 2003, not subject to adjustment in accordance with the Business Day Convention.

Floating Rate for initial  
Calculation Period: To be determined

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Floating Rate Option: 65% of USD-LIBOR-BBA, provided however, that for purposes of this Transaction, Article 7, Section 7.1 (xvii) and (xx) of the Definitions are hereby amended by deleting all references to "the day that is two London Banking Days preceding that Reset Date" and replacing such clause with "the day that is one London Banking Day preceding that Reset Date".

Designated Maturity 1 month

Floating Rate Day  
Count Fraction: Actual/Actual

Reset Dates: The Effective Date and each Thursday of each week during the Term of this Transaction, subject to adjustment in accordance with the Business Day Convention.

Method of Averaging: Weighted Average

Compounding: Inapplicable

Business Days: New York

Business Day Convention: Following

Calculation Agent: BSFP

3. Account Details/Settlements: **Payments to BSFP:**  
Citibank, N.A., New York  
ABA Number: 021-0000-89, for the account of  
Bear, Stearns Securities Corp.  
Account Number: 0925-3186, for further credit to  
Bear Stearns Financial Products Inc.  
Sub-account Number: 102-04654-1-3  
Attention: Derivatives Department

**Payments to Counterparty:**  
PLEASE PROVIDE

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4. Issuance of Bonds. Notwithstanding anything contained herein or in the Master 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 Master Agreement shall not be deemed to be made until the Dormitory Authority of the State of New York - Mental Health Services Facilities Improvement Revenue Bonds, Series 2003C-2 and Series 2003D-2 (the "Bonds") have been duly issued by the Counterparty and in the event that the Bonds are not issued on or prior to the Effective Date, this Transaction shall automatically terminate and shall be of no further force or effect and the parties shall have no further obligations hereunder. The Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that BSFP is entering into this Transaction in reliance upon such representation.
  
5. Contact Names at BSFP:                   Rate Fixings: Derivatives Operations- 347-643-1840  
  Payments: Derivatives Operations- 347-643-1842  
  Confirmation and  
  ISDA Queries: Derivatives Documentation- 212-272-4163

**THE BEAR STEARNS COMPANIES INC. NOR ANY SUBSIDIARY OR AFFILIATE OF THE BEAR STEARNS COMPANIES INC. OTHER THAN BSFP IS AN OBLIGOR OR A CREDIT SUPPORT PROVIDER ON THIS TRANSACTION.**

This Confirmation may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to **212/272-4933**. For inquiries please contact **Cindy Ashmore** by telephone at **212/272-4163**. Originals will be provided for your execution upon your request.

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We are very pleased to have executed this Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

**BEAR STEARNS FINANCIAL PRODUCTS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

By: \_\_\_\_\_  
Name:  
Title:  
(Authorized Signatory)

**SCHEDULE OF NOTIONAL AMOUNTS**

(all such dates subject to adjustment in accordance with the Modified Following Business Day Convention)

<u>From and including</u>	<u>To but excluding</u>	<u>Applicable Notional Amount USD</u>
Effective Date	02/15/11	183,000,000
02/15/11	08/15/11	178,708,842
08/15/11	02/15/12	178,708,842
02/15/12	08/15/12	174,261,236
08/15/12	02/15/13	174,261,236
02/15/13	08/15/13	169,634,832
08/15/13	02/15/14	169,634,832
02/15/14	08/15/14	164,136,786
08/15/14	02/15/15	164,136,786
02/15/15	08/15/15	157,744,749
08/15/15	02/15/16	157,744,749
02/15/16	08/15/16	151,129,214
08/15/16	02/15/17	151,129,214
02/15/17	08/15/17	142,122,253
08/15/17	02/15/18	142,122,253
02/15/18	08/15/18	130,254,520
08/15/18	02/15/19	130,254,520
02/15/19	08/15/19	116,934,051
08/15/19	02/15/20	116,934,051
02/15/20	08/15/20	103,144,237
08/15/20	02/15/21	103,144,237
02/15/21	08/15/21	88,236,931
08/15/21	02/15/22	88,236,931
02/15/22	08/15/22	73,419,027
08/15/22	02/15/23	73,419,027
02/15/23	08/15/23	59,539,814
08/15/23	02/15/24	59,539,814
02/15/24	08/15/24	47,381,534
08/15/24	02/15/25	47,381,534
02/15/25	08/15/25	36,899,487
08/15/25	02/15/26	36,899,487
02/15/26	08/15/26	25,635,198
08/15/26	02/15/27	25,635,198
02/15/27	08/15/27	15,957,743
08/15/27	02/15/28	15,957,743
02/15/28	08/15/28	9,431,607
08/15/28	02/15/29	9,431,607
02/15/29	08/15/29	4,425,256
08/15/29	02/15/30	4,425,256
02/15/30	08/15/30	1,519,785
08/15/30	Termination Date	1,519,785

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