

November 28, 2005

protocol@isda.org
International Swaps and Derivatives Association, Inc.
360 Madison Avenue, 16th Floor
New York, NY 10017

Dear Sirs,

2005 Novation Protocol - Adherence

The purpose of this letter is to confirm our adherence to the 2005 Novation Protocol as published by the International Swaps and Derivatives Association, Inc. on September 12, 2005 (the "Protocol"). This letter constitutes an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of the Master Agreement (now or in the future) between us and each other Adhering Party.

1. Specified Terms

The terms of Annex 1 shall apply.

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. Contact Details

Our contact details for purposes of this Adherence Letter are:

Name: Jessica R. Droeger & Rob Guttschow
Address: 333 W. Wacker Drive, Chicago, Illinois 60606
Telephone: (312) 917-7700
Fax: (312) 917-7952 and (312) 917-7995
E-mail: Jessica.Droeger@Nuveen.com and Rob.Guttschow@Nuveen.com

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure
by ISDA of the contents of this letter.

Yours faithfully,

NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Signature: /s/ Jessica R. Droeger
Name: Jessica R. Droeger
Title: Secretary and Vice President