

# BEAR STEARNS

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

## CONFIRMATION

**DATE:** October 21, 2003

**TO:** New York State Thruway Authority  
**ATTENTION:** Chief Financial Officer  
**TELEPHONE:** 518-436-2820  
**FACSIMILE:** 518-471-5050

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

**SUBJECT:** Fixed Income Derivatives Confirmation

**REFERENCE NUMBER(S):** FXNEC5507

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 New York State Thruway Authority ("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 Transaction constitutes an "Insured Transaction" as defined in the Master Agreement specified below and it is therefore subject to the special provisions of the Master Agreement which apply to Insured Transactions.

This Confirmation is subject to and incorporates the *2000 Definitions* and the *1992 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 and the Schedule thereto dated as of October 21, 2003 between BSFP and Counterparty which names Ambac Assurance Corporation as the "Insurer" (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:

Reference Number: FXNEC5507  
October 21, 2003  
Page 2 of 6

Notional Amount: (i) USD 15,013,500 for the initial Calculation Period, and  
(ii) the amount as detailed in the Schedule of Notional  
Amounts attached hereto.

Trade Date: October 21, 2003

Effective Date: November 6, 2003

Termination Date: March 15, 2016 (such date shall not be subject to  
adjustment in accordance with the business day convention).

**Fixed Amounts:**

Fixed Rate Payer: Counterparty

Fixed Rate Payer  
Payment Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004  
subject to adjustment in accordance with the Business Day  
convention.

Fixed Rate Payer  
Period End Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004, **not**  
subject to adjustment in accordance with the Business Day  
Convention.

Fixed Rate: 3.412%

Fixed Rate Day  
Count Fraction: 30/360

**Floating Amounts:**

Floating Rate Payer: BSFP

Floating Rate Payer  
Payment Dates: The fifteenth day of each month during the Term of this  
Transaction, commencing November 15, 2003, subject to  
adjustment in accordance with the Business Day Convention.

Floating Rate Payer

Period End Dates: The fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, **not** subject to adjustment in accordance with the Business Day Convention.

Floating Rate for initial Calculation Period: To be determined.

Floating Rate Option: 65% of USD-LIBOR-BBA, provided however, that for purposes of this Transaction, Article 7, Section 7.1(w)(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/360

Reset Dates: The Effective Date and the fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, subject to adjustment in accordance with the Business Day Convention.

Compounding: Inapplicable

Business Days: New York

Business Day Convention: Following

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:**  
JPMorgan Chase Bank  
Account No. 507943635  
ABA No. 021000021

Reference Number: FXNEC5507

October 21, 2003

Page 4 of 6

Reference: Bear Stearns CHIPS Swap Payment

4. 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, including but not limited to Section 4(d) of the Agreement, shall not be deemed to be made until the New York State Thruway Authority Local Highway and Bridge Service Contract Bonds, Series 2003C (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, this Transaction shall automatically terminate and shall be of no further force and effect and the parties shall have no further obligations hereunder. Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that Party A 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

**NEITHER 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.

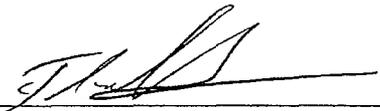
Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to 212/272-4933. For inquiries please contact **Cindy Ashmore**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

Reference Number: FXNEC5507  
October 21, 2003  
Page 5 of 6

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: **F. SCOTT HERMAN**  
**DPC MANAGER**

**NEW YORK STATE THRUWAY AUTHORITY**

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

Approved as to Form: \_\_\_\_\_  
Attorney General

Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Comptroller

Date: \_\_\_\_\_

Reference Number: FXNEC5507  
October 21, 2003  
Page 5 of 6

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:

**NEW YORK STATE THRUWAY AUTHORITY**

By: *L. DeCosmo*  
Name: Lawrence C. DeCosmo  
Title: Treasurer  
(Authorized Signatory)

APPROVED AS TO FORM  
NYS ATTORNEY GENERAL  
  
OCT 29 2003  
  
*Stephen J. Hensel*  
Attorney STEPHEN J. HENSEL  
ASSOCIATE ATTORNEY

Approved as to Form:

Approved:

Date: \_\_\_\_\_  
*John M. Sullivan*  
Comptroller  
Date: 11/5/03

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**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	03/15/11	15,013,500
03/15/11	03/15/12	15,001,500
03/15/12	03/15/13	13,401,500
03/15/13	03/15/14	11,029,500
03/15/14	03/15/15	8,987,500
03/15/15	Termination Date	3,132,500

# BEAR STEARNS

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

## CONFIRMATION

**DATE:** October 21, 2003

**TO:** New York State Thruway Authority  
**ATTENTION:** Chief Financial Officer  
**TELEPHONE:** 518-436-2820  
**FACSIMILE:** 518-471-5050

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

**SUBJECT:** Fixed Income Derivatives Confirmation

**REFERENCE NUMBER(S):** FXNEC5508

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 New York State Thruway Authority ("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 Transaction constitutes an "Insured Transaction" as defined in the Master Agreement specified below and it is therefore subject to the special provisions of the Master Agreement which apply to Insured Transactions.

This Confirmation is subject to and incorporates the *2000 Definitions* and the *1992 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 and the Schedule thereto dated as of October 21, 2003 between BSFP and Counterparty which names MBIA Insurance Corporation as the "Insurer" (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 20,999,201 for the initial Calculation Period, and  
(ii) the amount as detailed in the Schedule of Notional  
Amounts attached hereto.

Trade Date: October 21, 2003

Effective Date: November 6, 2003

Termination Date: March 15, 2018 (such date shall not be subject to  
adjustment in accordance with the business day convention).

**Fixed Amounts:**

Fixed Rate Payer: Counterparty

Fixed Rate Payer  
Payment Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004  
subject to adjustment in accordance with the Business Day  
convention.

Fixed Rate Payer  
Period End Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004, **not**  
subject to adjustment in accordance with the Business Day  
Convention.

Fixed Rate: 3.412%

Fixed Rate Day  
Count Fraction: 30/360

**Floating Amounts:**

Floating Rate Payer: BSFP

Floating Rate Payer  
Payment Dates: The fifteenth day of each month during the Term of this  
Transaction, commencing November 15, 2003, subject to  
adjustment in accordance with the Business Day Convention.

Floating Rate Payer

Period End Dates: The fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, **not** subject to adjustment in accordance with the Business Day Convention.

Floating Rate for initial Calculation Period: To be determined.

Floating Rate Option: 65% of USD-LIBOR-BBA, provided however, that for purposes of this Transaction, Article 7, Section 7.1(w)(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/360

Reset Dates: The Effective Date and the fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, subject to adjustment in accordance with the Business Day Convention.

Compounding: Inapplicable

Business Days: New York

Business Day Convention: Following

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:**  
JPMorgan Chase Bank  
Account No. 507943635  
ABA No. 021000021

Reference Number: FXNEC5508  
October 21, 2003  
Page 4 of 6

Reference: Bear Stearns CHIPS Swap Payment

4. 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, including but not limited to Section 4(d) of the Agreement, shall not be deemed to be made until the New York State Thruway Authority Local Highway and Bridge Service Contract Bonds, Series 2003C (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, this Transaction shall automatically terminate and shall be of no further force and effect and the parties shall have no further obligations hereunder. Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that Party A 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

**NEITHER 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.

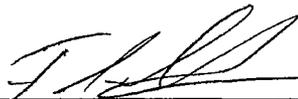
Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to 212/272-4933. For inquiries please contact **Cindy Ashmore**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

Reference Number: FXNEC5508  
October 21, 2003  
Page 5 of 6

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: F. SCOTT NEWMAN  
Title: EPS MANAGER

**NEW YORK STATE THRUWAY AUTHORITY**

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

Approved as to Form: \_\_\_\_\_  
Attorney General

Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Comptroller

Date: \_\_\_\_\_

Reference Number: FXNEC5508  
October 21, 2003  
Page 5 of 6

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:

**NEW YORK STATE THRUWAY AUTHORITY**

By: *L. DeCosmo*  
Name: Lawrence C. DeCosmo  
Title: Treasurer  
(Authorized Signatory)

APPROVED AS TO FORM  
NYS ATTORNEY GENERAL  
  
OCT 29 2003  
  
*Stephen J. Hensel*  
STEPHEN J. HENSEL  
ASSOCIATE ATTORNEY

Approved as to Form:

\_\_\_\_\_  
Attorney General

Approved:

Date: \_\_\_\_\_  
*John M. Fullinan*  
Comptroller  
Date: 11/5/03

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**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	03/15/16	20,999,201
03/15/16	03/15/17	15,166,701
03/15/17	Termination Date	5,729,701

## BEAR STEARNS

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

### CONFIRMATION

**DATE:** October 21, 2003

**TO:** New York State Thruway Authority  
**ATTENTION:** Chief Financial Officer  
**TELEPHONE:** 518-436-2820  
**FACSIMILE:** 518-471-5050

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

**SUBJECT:** Fixed Income Derivatives Confirmation

**REFERENCE NUMBER(S):** FXNEC5509

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 New York State Thruway Authority ("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 Transaction constitutes an "Insured Transaction" as defined in the Master Agreement specified below and it is therefore subject to the special provisions of the Master Agreement which apply to Insured Transactions.

This Confirmation is subject to and incorporates the *2000 Definitions* and the *1992 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 and the Schedule thereto dated as of October 21, 2003 between BSFP and Counterparty which names XL Capital Assurance Inc. as the "Insurer" (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:

Reference Number: FXNEC5509  
October 21, 2003  
Page 2 of 6

Notional Amount: (i) USD 9,849,799 for the initial Calculation Period, and  
(ii) the amount as detailed in the Schedule of Notional  
Amounts attached hereto.

Trade Date: October 21, 2003

Effective Date: November 6, 2003

Termination Date: March 15, 2019 (such date shall not be subject to  
adjustment in accordance with the business day convention).

**Fixed Amounts:**

Fixed Rate Payer: Counterparty

Fixed Rate Payer  
Payment Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004, not  
subject to adjustment in accordance with the Business Day  
convention.

Fixed Rate Payer  
Period End Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004, not  
subject to adjustment in accordance with the Business Day  
Convention.

Fixed Rate: 3.412%

Fixed Rate Day  
Count Fraction: 30/360

**Floating Amounts:**

Floating Rate Payer: BSFP

Floating Rate Payer  
Payment Dates: The fifteenth day of each month during the Term of this  
Transaction, commencing November 15, 2003, subject to  
adjustment in accordance with the Business Day Convention.

Floating Rate Payer

Period End Dates: The fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, **not** subject to adjustment in accordance with the Business Day Convention.

Floating Rate for initial Calculation Period: To be determined.

Floating Rate Option: 65% of USD-LIBOR-BBA, provided however, that for purposes of this Transaction, Article 7, Section 7.1(w)(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/360

Reset Dates: The Effective Date and the fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, subject to adjustment in accordance with the Business Day Convention.

Compounding: Inapplicable

Business Days: New York

Business Day Convention: Following

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:**  
JPMorgan Chase Bank  
Account No. 507943635  
ABA No. 021000021

Reference Number: FXNEC5509  
October 21, 2003  
Page 4 of 6

Reference: Bear Stearns CHIPS Swap Payment

4. Issuance of Bonds.

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5. Contact Names at BSFP:

Rate Fixings: Derivatives Operations- 347-643-1840  
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ISDA Queries: Derivatives Documentation- 212-272-4163

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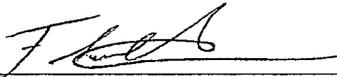
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Reference Number: FXNEC5509  
October 21, 2003  
Page 5 of 6

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: F. SCOTT HERMAN  
Title: DPO MANAGER

**NEW YORK STATE THRUWAY AUTHORITY**

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

Approved as to Form: \_\_\_\_\_  
Attorney General  
Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Comptroller  
Date: \_\_\_\_\_

Reference Number: FXNEC5509  
October 21, 2003  
Page 5 of 6

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Very truly yours,

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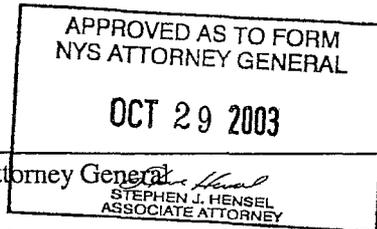
By: \_\_\_\_\_  
Name:  
Title:

**NEW YORK STATE THRUWAY AUTHORITY**

By: *L De Cosmo*  
Name: Lawrence C. DeCosmo  
Title: Treasurer  
(Authorized Signatory)

Approved as to Form:

Approved:



Attorney General *Stephen J. Hensel*  
STEPHEN J. HENSEL  
ASSOCIATE ATTORNEY

Date: \_\_\_\_\_

Comptroller *John M. Fallwirth*

Date: 11/5/03

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**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	03/15/18	9,849,799
03/15/18	Termination Date	5,997,500

# BEAR STEARNS

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

## CONFIRMATION

**DATE:** October 21, 2003

**TO:** New York State Thruway Authority  
**ATTENTION:** Chief Financial Officer  
**TELEPHONE:** 518-436-2820  
**FACSIMILE:** 518-471-5050

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

**SUBJECT:** Fixed Income Derivatives Confirmation

**REFERENCE NUMBER(S):** FXNEC5510

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 New York State Thruway Authority ("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 Transaction constitutes an "Insured Transaction" as defined in the Master Agreement specified below and it is therefore subject to the special provisions of the Master Agreement which apply to Insured Transactions.

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

Reference Number: FXNEC5510  
October 21, 2003  
Page 2 of 6

Notional Amount: (i) USD 7,211,500 for the initial Calculation Period, and  
(ii) the amount as detailed in the Schedule of Notional  
Amounts attached hereto.

Trade Date: October 21, 2003

Effective Date: November 6, 2003

Termination Date: March 15, 2021 (such date shall not be subject to  
adjustment in accordance with the business day convention).

**Fixed Amounts:**

Fixed Rate Payer: Counterparty

Fixed Rate Payer  
Payment Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004  
subject to adjustment in accordance with the Business Day  
convention.

Fixed Rate Payer  
Period End Dates: The fifteenth day of each March and September during the  
Term of this Transaction, commencing March 15, 2004, not  
subject to adjustment in accordance with the Business Day  
Convention.

Fixed Rate: 3.412%

Fixed Rate Day  
Count Fraction: 30/360

**Floating Amounts:**

Floating Rate Payer: BSFP

Floating Rate Payer  
Payment Dates: The fifteenth day of each month during the Term of this  
Transaction, commencing November 15, 2003, subject to  
adjustment in accordance with the Business Day Convention.

Floating Rate Payer

Period End Dates: The fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, **not** subject to adjustment in accordance with the Business Day Convention.

Floating Rate for initial Calculation Period: To be determined.

Floating Rate Option: 65% of USD-LIBOR-BBA, provided however, that for purposes of this Transaction, Article 7, Section 7.1(w)(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/360

Reset Dates: The Effective Date and the fifteenth day of each month during the Term of this Transaction, commencing November 15, 2003, subject to adjustment in accordance with the Business Day Convention.

Compounding: Inapplicable

Business Days: New York

Business Day Convention: Following

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:**  
JPMorgan Chase Bank  
Account No. 507943635  
ABA No. 021000021

Reference: Bear Stearns CHIPS Swap Payment

4. 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, including but not limited to Section 4(d) of the Agreement, shall not be deemed to be made until the New York State Thruway Authority Local Highway and Bridge Service Contract Bonds, Series 2003C (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, this Transaction shall automatically terminate and shall be of no further force and effect and the parties shall have no further obligations hereunder. Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that Party A 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

**NEITHER 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.

Reference Number: FXNEC5510  
October 21, 2003  
Page 5 of 6

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: F. SCOTT MERZHAN  
Title: VPS MANAGER

**NEW YORK STATE THRUWAY AUTHORITY**

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

Approved as to Form: \_\_\_\_\_  
Attorney General

Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Comptroller

Date: \_\_\_\_\_

Reference Number: FXNEC5510  
October 21, 2003  
Page 5 of 6

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:

**NEW YORK STATE THRUWAY AUTHORITY**

By: *L DeCosmo*  
Name: Lawrence C. DeCosmo  
Title: Treasurer  
(Authorized Signatory)

APPROVED AS TO FORM  
NYS ATTORNEY GENERAL  
  
OCT 29 2003  
  
*Stephen J. Hensel*  
STEPHEN J. HENSEL  
ATTORNEY GENERAL

Approved as to Form:

Date: \_\_\_\_\_  
*John M. Fullwa*  
Comptroller  
Date: 11/5/03

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**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	03/15/19	7,211,500
03/15/19	03/15/20	5,964,000
03/15/20	Termination Date	1,542,000