

Execution Copy

Citibank, N.A.  
333 West 34<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New York, NY 10001



October 21, 2003

AMBAC INSURED CONFIRMATION

New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209  
Attention: Chief Financial Officer  
Facsimile No.: 518-471-5050  
Telephone No.: 518-436-2820  
Tax ID: 14-6003955

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between and Citibank, N.A., New York ("Party A") and New York State Thruway Authority ("Party B") on the Trade Date referred to below. 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.

1. The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of October 21, 2003 (including the Schedule thereto, the "Agreement"), between Party A and Party B which names Ambac Assurance Corporation as the "Insurer". All provisions contained in such Agreement will govern this Confirmation except as expressly modified below.

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

Notional Amount:	USD 45,055,500, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003
Termination Date:	March 15, 2016
FIXED AMOUNTS:	
Fixed Rate Payer:	Party B

REF: 37283

NYB 1436618.6  
NYB 1436618.6

Fixed Rate Payer Payment Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.

Fixed Rate: 3.412%

Fixed Rate Day Count Fraction: 30/360

**FLOATING AMOUNTS:**

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.

Floating Rate Option: 65.00% of USD-LIBOR-BBA

Designated Maturity: One month

Floating Rate Day Count Fraction: Actual/360

Floating Rate Reset Dates: The Effective Date and the fifteenth (15th) day of each calendar month thereafter. Notwithstanding the definition of USD-LIBOR-BBA set forth in the Definitions (for this purpose only), the applicable USD-LIBOR-BBA for each Reset Date shall be the rate published one (1) London Banking Day prior to such Reset Date.

Floating Rate Method of Averaging: Inapplicable

Business Days: New York

3. **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 Local Highway and Bridge Service Contract Bonds, Series 2003(C) (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 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 into this Transaction in reliance upon such representation.

4. **Account Details.**

Payments to Party A: Citibank, N.A., New York  
ABA No.: 021-000-089  
Account No.: 00167679

REF: 37283

NYB 1436618.6  
NYB 1436618.6

Financial Futures  
Reference: 37283

Payments to Party B:

JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Citibank CHIPS Swap Payment

5. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to which this Confirmation relates by signing in the space provided below and immediately returning a copy of the executed Confirmation to Party A.

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

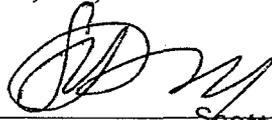
REF: 37283

NYB 1436618.6  
NYB 1436618.6

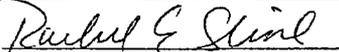
Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By:   
Authorized Signatory: Scott L. Flood  
Name: Vice President  
Citibank, N.A.

STATE OF New York  
COUNTY OF New York

Subscribed and sworn before me this  
31<sup>st</sup> day of Oct, 2003  
  
NOTARY PUBLIC

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

RACHEL E. STINE  
Notary Public, State of New York  
No. 01316053763  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires Sept. 10, 2005

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

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

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

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

By: *L. De Cosmo*  
Authorized Signatory:  
Name: Lawrence C. DeCosmo

APPROVED AS TO FORM NYS ATTORNEY GENERAL  OCT 29 2003  <i>Stephen J. Hensel</i> STEPHEN J. HENSEL ASSOCIATE ATTORNEY
---

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

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

Approved: *John M. Ballwin*  
Comptroller  
Date: 11/5/03

ANNEX I  
to Ambac Insured Confirmation, dated October 21, 2003  
between Citibank, N.A., New York and  
New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/11	USD 41,000	USD 45,014,500
3/15/12	4,800,000	40,214,500
3/15/13	7,121,000	33,093,500
3/15/14	6,131,000	26,962,500
3/15/15	17,565,000	9,397,500
3/15/16	9,397,500	-

Execution Copy

Citibank, N.A.  
333 West 34<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New York, NY 10001



October 21, 2003

FSA INSURED CONFIRMATION

New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209  
Attention: Chief Financial Officer  
Facsimile No.: 518-471-5050  
Telephone No.: 518-436-2820  
Tax ID: 14-6003955

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between and Citibank, N.A., New York ("Party A") and New York State Thruway Authority ("Party B") on the Trade Date referred to below. 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.

1. The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of October 21, 2003 (including the Schedule thereto, the "Agreement"), between Party A and Party B which names Financial Security Assurance Inc. as the "Insurer". All provisions contained in such Agreement will govern this Confirmation except as expressly modified below.

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

Notional Amount:	USD 21,644,500, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003
Termination Date:	March 15, 2021

FIXED AMOUNTS:

REF: 37282

NYB 1438100.5  
NYB 1438100.5

Fixed Rate Payer: Party B  
Fixed Rate Payer Payment Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Fixed Rate Payer Period End Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Fixed Rate: 3.412%  
Fixed Rate Day Count Fraction: 30/360

FLOATING AMOUNTS:

Floating Rate Payer: Party A  
Floating Rate Payer Payment Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Floating Rate Payer Period End Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Floating Rate Option: 65.00% of USD-LIBOR-BBA  
Designated Maturity: One month  
Floating Rate Day Count Fraction: Actual/360  
Floating Rate Reset Dates: The Effective Date and the fifteenth (15th) day of each calendar month thereafter. Notwithstanding the definition of USD-LIBOR-BBA set forth in the Definitions (for this purpose only), the applicable USD-LIBOR-BBA for each Reset Date shall be the rate published one (1) London Banking Day prior to such Reset Date.  
Floating Rate Method of Averaging: Inapplicable  
Business Days: New York

3. **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 Local Highway and Bridge Service Contract Bonds, Series 2003(C) (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 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 into this Transaction in reliance upon such representation.

4. **Account Details.**

Payments to Party A: Citibank, N.A., New York

REF: 37282

NYB 1438100.5  
NYB 1438100.5

ABA No.: 021-000-089  
Account No.: 00167679  
Financial Futures  
Reference: 37282

Payments to Party B:

JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Citibank CHIPS Swap Payment

5. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to which this Confirmation relates by signing in the space provided below and immediately returning a copy of the executed Confirmation to Party A.

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

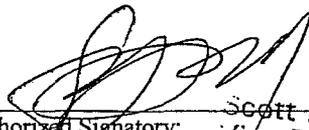
REF: 37282

NYB 1438100.5  
NYB 1438100.5

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

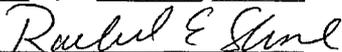
Yours sincerely,

CITIBANK, N.A., NEW YORK

By:   
Authorized Signatory: Scott L. Flood  
Name: Vice President  
Citibank, N.A.

STATE OF New York  
COUNTY OF New York

Subscribed and sworn before me this

31st day of Oct, 2003  
  
NOTARY PUBLIC

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

**RACHEL E. STINE**  
Notary Public, State of New York  
No. 01ST6033763  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires Sept. 10, 2005

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

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

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

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

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

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

By: *L. DeCosmo*  
Authorized Signatory:  
Name: Lawrence C. DeCosmo

APPROVED AS TO FORM NYS ATTORNEY GENERAL  OCT 29 2003  <i>Stephen J. Hensel</i> STEPHEN J. HENSEL ASSOCIATE ATTORNEY
---

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

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

Approved:

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

ANNEX I  
to FSA Insured Confirmation, dated October 21, 2003  
between Citibank, N.A., New York and  
New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/19	3,742,500	17,902,000
3/15/20	13,271,000	4,631,000
3/15/21	4,631,000	-

Execution Copy

Citibank, N.A.  
333 West 34<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New York, NY 10001



October 21, 2003

MBIA INSURED CONFIRMATION

New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209  
Attention: Chief Financial Officer  
Facsimile No.: 518-471-5050  
Telephone No.: 518-436-2820  
Tax ID: 14-6003955

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between and Citibank, N.A., New York ("Party A") and New York State Thruway Authority ("Party B") on the Trade Date referred to below. 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.

1. The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of October 21, 2003 (including the Schedule thereto, the "Agreement"), between Party A and Party B which names MBIA Insurance Corporation as the "Insurer". All provisions contained in such Agreement will govern this Confirmation except as expressly modified below.

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

Notional Amount:	USD 63,005,593, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003
Termination Date:	March 15, 2018

FIXED AMOUNTS:

REF: 37284

NYB 1438101.5  
NYB 1438101.5

Fixed Rate Payer: Party B  
Fixed Rate Payer Payment Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Fixed Rate Payer Period End Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Fixed Rate: 3.412%  
Fixed Rate Day Count Fraction: 30/360

FLOATING AMOUNTS:

Floating Rate Payer: Party A  
Floating Rate Payer Payment Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Floating Rate Payer Period End Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Floating Rate Option: 65.00% of USD-LIBOR-BBA  
Designated Maturity: One month  
Floating Rate Day Count Fraction: Actual/360  
Floating Rate Reset Dates: The Effective Date and the fifteenth (15th) day of each calendar month thereafter. Notwithstanding the definition of USD-LIBOR-BBA set forth in the Definitions (for this purpose only), the applicable USD-LIBOR-BBA for each Reset Date shall be the rate published one (1) London Banking Day prior to such Reset Date.  
Floating Rate Method of Averaging: Inapplicable  
Business Days: New York

3. **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 Local Highway and Bridge Service Contract Bonds, Series 2003(C) (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 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 into this Transaction in reliance upon such representation.

4. **Account Details.**

Payments to Party A: Citibank, N.A., New York

REF: 37284

NYB 1438101.5  
NYB 1438101.5

ABA No.: 021-000-089  
Account No.: 00167679  
Financial Futures  
Reference: 37284

Payments to Party B:

JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Citibank CHIPS Swap Payment

5. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to which this Confirmation relates by signing in the space provided below and immediately returning a copy of the executed Confirmation to Party A.

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

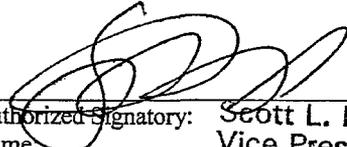
REF: 37284

NYB 1438101.5  
NYB 1438101.5

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By:   
Authorized Signatory: Scott L. Flood  
Name: Vice President  
Citibank, N.A.

STATE OF New York  
COUNTY OF New York

Subscribed and sworn before me this

31st day of Oct, 2003

Rachel E. Stine  
NOTARY PUBLIC

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

RACHEL E. STINE  
Notary Public, State of New York  
No. 01STC063763  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires Sept. 10, 2005

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

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

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

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

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

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

By: *L. DeCosmo* APPROVED AS TO FORM  
NYS ATTORNEY GENERAL  
Authorized Signatory:  
Name: Lawrence C. DeCosmo  
OCT 29 2003  
Approved as to Form: \_\_\_\_\_  
Attorney General *Stephen J. Hensel*  
ASSOCIATE ATTORNEY

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

Approved:

*John M. Ballwin*  
Comptroller  
Date: 11/5/03

ANNEX I  
to MBIA Insured Confirmation, dated October 21, 2003  
between Citibank, N.A., New York and  
New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/16	17,497,500	45,508,093
3/15/17	28,316,000	17,192,093
3/15/18	17,192,093	-

Execution Copy

Citibank, N.A.  
333 West 34<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New York, NY 10001



October 21, 2003

XL CAPITAL INSURED CONFIRMATION

New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209  
Attention: Chief Financial Officer  
Facsimile No.: 518-471-5050  
Telephone No.: 518-436-2820  
Tax ID: 14-6003955

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between and Citibank, N.A., New York ("Party A") and New York State Thruway Authority ("Party B") on the Trade Date referred to below. 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.

1. The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of October 21, 2003 (including the Schedule thereto, the "Agreement"), between Party A and Party B which names XL Capital Assurance Inc. as the "Insurer". All provisions contained in such Agreement will govern this Confirmation except as expressly modified below.

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

Notional Amount:	USD 29,551,407, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003
Termination Date:	March 15, 2019

FIXED AMOUNTS:

REF: 37281

NYB 1438102.5  
NYB 1438102.5

Fixed Rate Payer: Party B  
Fixed Rate Payer Payment Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Fixed Rate Payer Period End Dates: Semiannually on each March 15 and September 15, commencing on March 15, 2004 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Fixed Rate: 3.412%  
Fixed Rate Day Count Fraction: 30/360

FLOATING AMOUNTS:

Floating Rate Payer: Party A  
Floating Rate Payer Payment Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.  
Floating Rate Payer Period End Dates: Monthly on the fifteenth (15th) of each calendar month, commencing on November 15, 2003 and terminating on the Termination Date. No Adjustment shall apply to Period End Dates.  
Floating Rate Option: 65.00% of USD-LIBOR-BBA  
Designated Maturity: One month  
Floating Rate Day Count Fraction: Actual/360  
Floating Rate Reset Dates: The Effective Date and the fifteenth (15th) day of each calendar month thereafter. Notwithstanding the definition of USD-LIBOR-BBA set forth in the Definitions (for this purpose only), the applicable USD-LIBOR-BBA for each Reset Date shall be the rate published one (1) London Banking Day prior to such Reset Date.  
Floating Rate Method of Averaging: Inapplicable  
Business Days: New York

3. **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 Local Highway and Bridge Service Contract Bonds, Series 2003(C) (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 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 into this Transaction in reliance upon such representation.

4. **Account Details.**

Payments to Party A: Citibank, N.A., New York

REF: 37281

NYB 1438102.5  
NYB 1438102.5

ABA No.: 021-000-089  
Account No.: 00167679  
Financial Futures  
Reference: 37281

Payments to Party B:

JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Citibank CHIPS Swap Payment

5. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to which this Confirmation relates by signing in the space provided below and immediately returning a copy of the executed Confirmation to Party A.

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

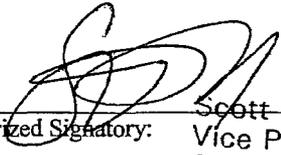
REF: 37281

NYB 1438102.5  
NYB 1438102.5

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

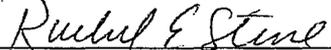
CITIBANK, N.A., NEW YORK

By:   
Authorized Signatory: Scott L. Flood  
Name: Vice President  
Citibank, N.A.

STATE OF New York  
COUNTY OF New York

Subscribed and sworn before me this

31<sup>st</sup> day of Oct, 2003

  
NOTARY PUBLIC

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

RACHEL E. STINE  
Notary Public, State of New York  
No. 01ST6068763  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires Sept. 10, 2005

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

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

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

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

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

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: \_\_\_\_\_  
Authorized Signatory:  
Name:

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

By: *L. DeCosmo*  
Authorized Signatory:  
Name: Lawrence C. DeCosmo

APPROVED AS TO FORM NYS ATTORNEY GENERAL  OCT 29 2003  <u><i>Stephen J. Hensel</i></u> STEPHEN J. HENSEL ASSOCIATE ATTORNEY
--

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

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

Approved: *John M. Fullin*  
Comptroller  
Date: 11/5/03

ANNEX I  
to XL Capital Insured Confirmation, dated October 21, 2003  
between Citibank, N.A., New York and  
New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/18	11,558,907	17,992,500
3/15/19	17,992,500	-

REF: 37281

NYB 1438102.5  
NYB 1438102.5