



Execution Copy

Admin: 03MU02017

October 21, 2003

AMBAC INSURED CONFIRMATION

TRANSACTION

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 Merrill Lynch Capital Services, Inc. ("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.

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.

1. 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:	\$15,013,500, 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

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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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% 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 (15<sup>th</sup>) 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

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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: Bankers Trust Company  
New York, NY  
ABA: 021-001-033  
A/C #: 00-811-874  
Ref: Merrill Lynch Capital Services, Inc.  
Attn: Muni Swaps

Payments to Party B: JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Merrill 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.

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.

Yours sincerely,

MERRILL LYNCH CAPITAL SERVICES, INC.

By: Garth Schulz  
Name: Garth Schulz  
Title: Authorized Signatory

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

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

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

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



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ANNEX I  
to Ambac Insured Confirmation, dated October 21, 2003,  
between Merrill Lynch Capital Services, Inc.  
and New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/11	12,000	15,001,500
3/15/12	1,600,000	13,401,500
3/15/13	2,372,000	11,029,500
3/15/14	2,042,000	8,987,500
3/15/15	5,855,000	3,132,500
3/15/16	3,132,500	-



Execution Copy

Admin: 03MU02025

October 21, 2003

FSA INSURED CONFIRMATION

TRANSACTION

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 Merrill Lynch Capital Services, Inc. ("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.

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.

1. 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:	\$7,211,500, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003

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Termination Date: March 15, 2021

**FIXED AMOUNTS:**

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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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% 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 (15<sup>th</sup>) 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

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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: Bankers Trust Company  
New York, NY  
ABA: 021-001-033  
A/C #: 00-811-874  
Ref: Merrill Lynch Capital Services, Inc.  
Attn: Muni Swaps

Payments to Party B: JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Merrill 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.

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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.

Yours sincerely,

MERRILL LYNCH CAPITAL SERVICES, INC.

By: Garth Schulz  
Name: Garth Schulz  
Title: Authorized Signatory

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

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

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.

Yours sincerely,

MERRILL LYNCH CAPITAL SERVICES, INC.

By:         *G.S.*          
Name: Garth Schulz  
Title: Authorized Signatory

Accepted and confirmed as of the  
Trade Date:

NEW YORK STATE THRUWAY AUTHORITY

By:         *L. DeCosmo*          
Name: Lawrence C. DeCosmo  
Title: Treasurer

APPROVED AS TO FORM  
NYS ATTORNEY GENERAL  
OCT 29 2003

Approved as to Form: \_\_\_\_\_  
Attorney General         *Stephen J. Hensel*          
STEPHEN J. HENSEL  
ASSOCIATE ATTORNEY

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

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

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ANNEX I  
to FSA Insured Confirmation, dated October 21, 2003,  
between Merrill Lynch Capital Services, Inc.  
and New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/19	1,247,500	5,964,000
3/15/20	4,422,000	1,542,000
3/15/21	1,542,000	-



Execution Copy

Admin: 03MU02026

October 21, 2003

XL CAPITAL INSURED CONFIRMATION

TRANSACTION

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 Merrill Lynch Capital Services, Inc. ("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.

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.

1. 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:	\$9,849,799, reducing on the dates and in the amounts set forth in Annex I hereto.
Trade Date:	October 21, 2003
Effective Date:	November 6, 2003

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Termination Date: March 15, 2019

FIXED AMOUNTS:

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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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% 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 (15<sup>th</sup>) 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

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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: Bankers Trust Company  
New York, NY  
ABA: 021-001-033  
A/C #: 00-811-874  
Ref: Merrill Lynch Capital Services, Inc.  
Attn: Muni Swaps

Payments to Party B: JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Merrill 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.





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ANNEX I  
to XL Capital Insured Confirmation, dated October 21, 2003,  
between Merrill Lynch Capital Services, Inc.  
and New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/18	3,852,299	5,997,500
3/15/19	5,997,500	-



Execution Copy

Admin: 03MU02027

October 21, 2003

MBIA INSURED CONFIRMATION

TRANSACTION

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 Merrill Lynch Capital Services, Inc. ("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.

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.

1. 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:	\$20,999,201, 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:

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 (15<sup>th</sup>) 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 (15<sup>th</sup>) 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% 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 (15<sup>th</sup>) 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

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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: Bankers Trust Company  
New York, NY  
ABA: 021-001-033  
A/C #: 00-811-874  
Ref: Merrill Lynch Capital Services, Inc.  
Attn: Muni Swaps

Payments to Party B: JPMorgan Chase Bank  
Fed ABA #: 021 000 021  
A/C #: 507943635  
Reference: Merrill CHIPS Swap Payment

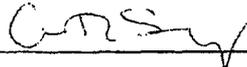
5. Please check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified. Please confirm that the foregoing correctly sets forth the terms of the agreement between Party A and Party B with respect to the particular Transaction to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



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.

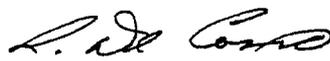
Yours sincerely,

MERRILL LYNCH CAPITAL SERVICES, INC.

By:   
Name: \_\_\_\_\_  
Title: Garth Schulz  
Authorized Signatory

Accepted and confirmed as of the  
Trade Date:

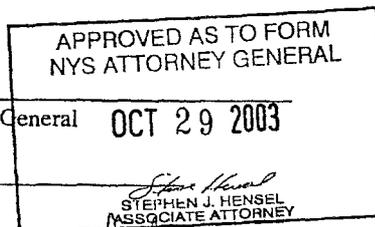
NEW YORK STATE THRUWAY AUTHORITY

By:   
Name: Lawrence C. DeCosmo  
Title: Treasurer

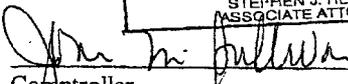
Approved as to Form:

Attorney General **OCT 29 2003**

Date:



Approved:

  
Comptroller  
Date: 11/5/03

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ANNEX I  
to MBIA Insured Confirmation, dated October 21, 2003,  
between Merrill Lynch Capital Services, Inc.  
and New York State Thruway Authority

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Outstanding Notional Amount</u>
3/15/16	5,832,500	15,166,701
3/15/17	9,437,000	5,729,701
3/15/18	5,729,701	-