

Morgan Stanley

Municipal Capital Markets

Date:	October 22, 2003		
To:	New York State Thruway Authority	From:	Morgan Stanley Capital Services Inc.
Attn:	Chief Financial Officer	Contact:	Gregory Pacelli
Fax:	(518) 471-5050	Fax:	212-762-8227
Tel:	(518) 436-2820	Tel:	212-762-7415

Re: Interest Rate Swap MSCS Ref. No. AUBZQ

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below. This Transaction constitutes an "Insured Transaction" as defined in the Agreement referred to below and it is therefore subject to the special provisions of the Agreement which apply to Insurer Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions (each as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation has been executed, and the fixed rate hereunder has been agreed to, in conjunction and concurrent with, and in consideration for, the execution by the parties hereto of three other confirmations dated the date hereof (Ref. Nos. AUBZV, AUBZU and AUBZW) entered into under three different ISDA Master Agreements.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of October 21, 2003, as amended and supplemented from time to time (the "Agreement") between you and us which names Financial Security Assurance Inc. as the "Insurer". All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

Party A:	Morgan Stanley Capital Services Inc.
Party B:	New York State Thruway Authority
Trade Date:	October 21, 2003
Notional Amount:	USD 7,211,500 amortizing according to Schedule 1
Effective Date:	November 6, 2003
Termination Date:	March 15, 2021
<u>Fixed Amounts:</u>	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 15 and September 15, commencing on March 15,

2004, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, with No Adjustment.

Fixed Rate: 3.412%

Fixed Rate Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, with No Adjustment.

Floating Rate Option: USD-LIBOR-BBA

Maturity: One month

Floating Rate: 65% times the Floating Rate Option

Floating Rate Day Count Fraction: Actual/360

Floating Rate Reset Date: 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.

Compounding: Inapplicable

Method of Averaging: None

Business Days: New York

Calculation Agent: Party A

3. Account Details:

Payments to Party A: Citibank, New York
 ABA No. 021 000 089
 For: Morgan Stanley Capital Services Inc.

Account No. 4072 4601

Payments to Party B:

JP Morgan Chase Bank
ABA No. 021 000 021
For: Morgan Stanley CHIPS Swap Payment
Account No. 507943635

Party A Operations Contact:

Jean Barnum
Tel: 212-761-4662
Fax: 212-507-3190

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. 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.

FSA

Morgan Stanley

Municipal Capital Markets

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUBZQ by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best Regards,

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED as of the date first written:

NEW YORK STATE THRUWAY AUTHORITY

By: _____

Name:

Title:

SCHEDULE 1
to Confirmation, dated October 22, 2003
between Morgan Stanley Capital Services Inc.
and New York State Thruway Authority

MSCS Ref. No. AUBZQ

<u>FROM (and including)</u>	<u>TO (but excluding)</u>	<u>NOTIONAL AMOUNT</u>
Effective Date	3/15/2019	USD 7,211,500
3/15/2019	3/15/2020	5,964,000
3/15/2020	Termination Date	1,542,000

Date:	October 22, 2003		
To:	New York State Thruway Authority	From:	Morgan Stanley Capital Services Inc.
Attn:	Chief Financial Officer	Contact:	Gregory Pacelli
Fax:	(518) 471-5050	Fax:	212-762-8227
Tel:	(518) 436-2820	Tel:	212-762-7415

Re: Interest Rate Swap MSCS Ref. No. AUBZU

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below. This Transaction constitutes an "Insured Transaction" as defined in the Agreement referred to below and it is therefore subject to the special provisions of the Agreement which apply to Insurer Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions (each as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation has been executed, and the fixed rate hereunder has been agreed to, in conjunction and concurrent with, and in consideration for, the execution by the parties hereto of three other confirmations dated the date hereof (Ref. Nos. AUBZV, AUBZW and AUBZQ) entered into under three different ISDA Master Agreements.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of October 21, 2003, as amended and supplemented from time to time (the "Agreement") between you and us which names Ambac Assurance Corporation as the "Insurer". All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

Party A:	Morgan Stanley Capital Services Inc.
Party B:	New York State Thruway Authority
Trade Date:	October 21, 2003
Notional Amount:	USD 15,013,500 amortizing according to Schedule 1
Effective Date:	November 6, 2003
Termination Date:	March 15, 2016
<u>Fixed Amounts:</u>	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, subject to

adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, with No Adjustment.

Fixed Rate: 3.412%

Fixed Rate Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, with No Adjustment.

Floating Rate Option: USD-LIBOR-BBA

Maturity: One month

Floating Rate: 65% times the Floating Rate Option

Floating Rate Day Count Fraction: Actual/360

Floating Rate Reset Date: 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.

Compounding: Inapplicable

Method of Averaging: None

Business Days: New York

Calculation Agent: Party A

3. Account Details:

Payments to Party A: Citibank, New York
 ABA No. 021 000 089
 For: Morgan Stanley Capital Services Inc.
 Account No. 4072 4601

Payments to Party B:

JP Morgan Chase Bank
ABA No. 021 000 021
For: Morgan Stanley CHIPS Swap Payment
Account No. 507943635

Party A Operations Contact:

Jean Barnum
Tel: 212-761-4662
Fax: 212-507-3190

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. 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.

Ambac

Morgan Stanley

Municipal Capital Markets

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUBZU by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best Regards,

MORGAN STANLEY CAPITAL SERVICES INC.

By: 

Name: Fabrice Pilato
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED as of the date first written:

NEW YORK STATE THRUWAY AUTHORITY

By: _____

Name:
Title:

Approved as to Form:

Attorney General

Date: _____

Approved:

Comptroller

Date: _____

SCHEDULE 1
to Confirmation, dated October 22, 2003
between Morgan Stanley Capital Services Inc.
and New York State Thruway Authority

MSCS Ref. No. AUBZU

<u>FROM (and including)</u>	<u>TO (but excluding)</u>	<u>NOTIONAL AMOUNT</u>
Effective Date	3/15/2011	USD 15,013,500
3/15/2011	3/15/2012	15,001,500
3/15/2012	3/15/2013	13,401,500
3/15/2013	3/15/2014	11,029,500
3/15/2014	3/15/2015	8,987,500
3/15/2015	Termination Date	3,132,500

MBIA

Morgan Stanley

Municipal Capital Markets

Date:	October 22, 2003	From:	Morgan Stanley Capital Services Inc.
To:	New York State Thruway Authority	Contact:	Gregory Pacelli
Attn:	Chief Financial Officer	Fax:	212-762-8227
Fax:	(518) 471-5050	Tel:	212-762-7415
Tel:	(518) 436-2820		

Re: Interest Rate Swap MSCS Ref. No. AUBZV

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below. This Transaction constitutes an "Insured Transaction" as defined in the Agreement referred to below and it is therefore subject to the special provisions of the Agreement which apply to Insurer Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions (each as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation has been executed, and the fixed rate hereunder has been agreed to, in conjunction and concurrent with, and in consideration for, the execution by the parties hereto of three other confirmations dated the date hereof (Ref. Nos. AUBZU, AUBZW and AUBZQ) entered into under three different ISDA Master Agreements.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of October 21, 2003, as amended and supplemented from time to time (the "Agreement") between you and us which names MBIA Insurance Corporation as the "Insurer". All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

Party A:	Morgan Stanley Capital Services Inc.
Party B:	New York State Thruway Authority
Trade Date:	October 21, 2003
Notional Amount:	USD 20,999,201 amortizing according to Schedule 1
Effective Date:	November 6, 2003
Termination Date:	March 15, 2018
<u>Fixed Amounts:</u>	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 15 and September 15, commencing on March 15,

2004, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate Payer Period End Dates: Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, with No Adjustment.

Fixed Rate: 3.412%

Fixed Rate Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Period End Dates: The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, with No Adjustment.

Floating Rate Option: USD-LIBOR-BBA

Maturity: One month

Floating Rate: 65% times the Floating Rate Option

Floating Rate Day Count Fraction: Actual/360

Floating Rate Reset Date: 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.

Compounding: Inapplicable

Method of Averaging: None

Business Days: New York

Calculation Agent: Party A

3. Account Details:

Payments to Party A: Citibank, New York
ABA No. 021 000 089
For: Morgan Stanley Capital Services Inc.

Account No. 4072 4601

Payments to Party B:

JP Morgan Chase Bank
ABA No. 021 000 021
For: Morgan Stanley CHIPS Swap Payment
Account No. 507943635

Party A Operations Contact:

Jean Barnum
Tel: 212-761-4662
Fax: 212-507-3190

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. 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.

MBIA

Morgan Stanley

Municipal Capital Markets

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUBZV by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best Regards,

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED as of the date first written:

NEW YORK STATE THRUWAY AUTHORITY

By: _____
Name:
Title:

SCHEDULE 1
to Confirmation, dated October 22, 2003
between Morgan Stanley Capital Services Inc.
and New York State Thruway Authority

MSCS Ref. No. AUBZV

<u>FROM (and including)</u>	<u>TO (but excluding)</u>	<u>NOTIONAL AMOUNT</u>
Effective Date	3/15/2016	USD 20,999,201
3/15/2016	3/15/2017	15,166,701
3/15/2017	Termination Date	5,729,701

Date:	October 22, 2003		
To:	New York State Thruway Authority	From:	Morgan Stanley Capital Services Inc.
Attn:	Chief Financial Officer	Contact:	Gregory Pacelli
Fax:	(518) 471-5050	Fax:	212-762-8227
Tel:	(518) 436-2820	Tel:	212-762-7415

Re: Interest Rate Swap MSCS Ref. No. AUBZW

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below. This Transaction constitutes an "Insured Transaction" as defined in the Agreement referred to below and it is therefore subject to the special provisions of the Agreement which apply to Insurer Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions (each as published by the International Swaps and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation has been executed, and the fixed rate hereunder has been agreed to, in conjunction and concurrent with, and in consideration for, the execution by the parties hereto of three other confirmations dated the date hereof (Ref. Nos. AUBZV, AUBZU and AUBZQ) entered into under three different ISDA Master Agreements.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of October 21, 2003, as amended and supplemented from time to time (the "Agreement") between you and us which names XL Capital Assurance Inc. as the "Insurer". All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

Party A:	Morgan Stanley Capital Services Inc.
Party B:	New York State Thruway Authority
Trade Date:	October 21, 2003
Notional Amount:	USD 9,849,799 amortizing according to Schedule 1
Effective Date:	November 6, 2003
Termination Date:	March 15, 2019

Fixed Amounts:

Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, subject to

	adjustment in accordance with the Following Business Day Convention.
Fixed Rate Payer Period End Dates:	Each March 15 and September 15, commencing on March 15, 2004, up to and including the Termination Date, with No Adjustment.
Fixed Rate:	3.412%
Fixed Rate Day Count Fraction:	30/360
<u>Floating Amounts:</u>	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.
Floating Rate Payer Period End Dates:	The fifteenth calendar day of each month, commencing on November 15, 2003, up to and including the Termination Date, with No Adjustment.
Floating Rate Option:	USD-LIBOR-BBA
Maturity:	One month
Floating Rate:	65% times the Floating Rate Option
Floating Rate Day Count Fraction:	Actual/360
Floating Rate Reset Date:	The Effective Date and the fifteenth (15 th) 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.
Compounding:	Inapplicable
Method of Averaging:	None
Business Days:	New York
Calculation Agent:	Party A

3. Account Details:

Payments to Party A:	Citibank, New York ABA No. 021 000 089 For: Morgan Stanley Capital Services Inc. Account No. 4072 4601
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Payments to Party B:

JP Morgan Chase Bank
ABA No. 021 000 021
For: Morgan Stanley CHIPS Swap Payment
Account No. 507943635

Party A Operations Contact:

Jean Barnum
Tel: 212-761-4662
Fax: 212-507-3190

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. 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.

Morgan Stanley

XL Capital

Municipal Capital Markets

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. No. AUBZW by executing this Confirmation and returning it to us promptly.

We are delighted to have entered into this Transaction with you and look forward to serving you further in the future.

Best Regards,

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED as of the date first written:

NEW YORK STATE THRUWAY AUTHORITY

By: _____

Name:

Title:

SCHEDULE 1
to Confirmation, dated October 22, 2003
between Morgan Stanley Capital Services Inc.
and New York State Thruway Authority

MSCS Ref. No. AUBZW

<u>FROM (and including)</u>	<u>TO (but excluding)</u>	<u>NOTIONAL AMOUNT</u>
Effective Date	3/15/2018	USD 9,849,799
3/15/2018	Termination Date	5,997,500