

Goldman Sachs Capital Markets, L.P. | 65 Broad Street | New York, New York 10004 | Tel: 212-902-1000
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2002 D-6



CONFIRMATION

DATE: February 21, 2001

TO: Massachusetts Water Resources Authority
 Telephone No.: 617 788 2288
 Facsimile No. : 617 241 6160
 Attention : Kenneth Wissman

FROM: Goldman Sachs Capital Markets, L.P.

SUBJECT: Swap Transaction

REF NO: MUUS1028G0 (600000000) / (006 883 086)

The purpose of this communication is to set forth the terms and conditions of the above referenced transaction entered into on the Trade Date specified below (the "Transaction") between Goldman Sachs Capital Markets, L.P. ("GSCM"), guaranteed by The Goldman Sachs Group, Inc. ("Goldman Group"), and Massachusetts Water Resources Authority ("Counterparty"). This communication constitutes a "Confirmation" as referred to in the Swap Agreement specified below.

1. This Confirmation is subject to, and incorporates, the 1991 ISDA Definitions (as supplemented and amended by the 1998 Supplement, the 1998 ISDA Euro Definitions and the 1992 ISDA U.S. Municipal Counterparty Definitions) (the "Definitions"), published by the International Swaps and Derivatives Association, Inc. ("ISDA"). All references to "Swap Transactions" in the 1991 Definitions will be deemed to also be references to "Transactions". If GSCM and Counterparty are parties to an Interest Rate and Currency Exchange Agreement, ISDA Master Agreement or other form of master agreement that sets forth general terms and conditions applicable to transactions between GSCM and Counterparty (the "Swap Agreement"), this Confirmation supplements, forms a part of, and is subject to, the Swap Agreement. If GSCM and Counterparty are not yet parties to the Swap Agreement, this Confirmation shall supplement, form part of, and be subject to, the Swap Agreement upon its execution and delivery by GSCM and Counterparty. Prior to the execution and delivery of such Swap Agreement, this Confirmation alone shall constitute a complete and binding agreement with respect to the Transaction. This Confirmation will be read and construed as one with the executed Swap Agreement and all other outstanding Confirmations between the parties, so that all such Confirmations and the executed Swap Agreement constitute a single agreement between the parties.

If the Swap Agreement has not yet been executed and delivered by GSCM and Counterparty, this Confirmation is also subject to, and incorporates, the definitions contained in Section 14 of the form of ISDA Master Agreement (Multicurrency-Cross Border), but without any Schedule or other modifications thereto (the "ISDA Agreement").

All provisions contained in, or incorporated by reference to, the Swap Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and the 1991 Definitions, the Swap Agreement, or the definitions contained in Section 14 of the ISDA Agreement, as the case may be, this Confirmation will control for the purpose of the Transaction to which this Confirmation relates.

2. Each party will make each payment specified in this Confirmation as being payable by it, not later than the due date for value on that date in the place of the account specified below or otherwise specified in writing, in freely transferable funds and in the manner customary for payments in the required currency. If on any date amounts would otherwise be payable in the same currency by each party to the other in respect of this Transaction, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

3. The following provision will govern this Transaction until such time as the Swap Agreement is executed and delivered by GSCM and Counterparty, whereupon they shall be replaced by the terms of the Swap Agreement. If at any time, a party (the "Defaulting Party") or its guarantor, if any, shall (i) fail to make, when due, any payment or delivery under this Transaction or any other transactions or agreements of any type then outstanding between the parties (the "Related Transactions") if such failure is not remedied within one New York Business Day following written notice of such failure or (ii) become subject to a Bankruptcy (as defined in Section 5(a)(vii) of the ISDA Agreement), then the other party (the "Non-defaulting Party") shall have the right to early terminate and liquidate this Transaction and the Related Transactions and determine a net amount due in respect thereof in accordance with the early termination payment calculation provisions of Section 6(e)(i) of the ISDA Agreement based on a payment measure of Market Quotation and a payment method of the Second Method. The Non-defaulting Party may exercise such right to early terminate and liquidate by written notice to the Defaulting Party, which notice shall set forth the amount of the termination payment determined by the Non-defaulting Party as set forth above. Such termination payment shall be due and payable by no later than one New York Business Day following receipt by the Defaulting Party of such notice. Without limitation to other rights it may have, the Non-defaulting Party shall have the right to set off the value of any collateral securing the obligations of the Defaulting Party against amounts owed by the Defaulting Party to it as determined above.

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

Notional Amount:	USD 350,000,000 (subject to reduction in accordance with the Amortization Schedule set forth under "Additional Provisions" below)
Trade Date:	February 21, 2001
Effective Date:	August 15, 2002
Termination Date:	August 1, 2015, subject to adjustment in accordance with the Following Business Day Convention and, subject to the early termination events as set forth under "Other Provisions" below.

Floating Amounts:

Floating Rate Payer: GSCM

Floating Rate Payer Payment Dates: Semiannually, on each February 1 and August 1, commencing on February 1, 2003 and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Option: 1-month USD-LIBOR x 67.00%

Where:
1-month USD-LIBOR = USD-LIBOR-BBA with a Designated Maturity of 1 month

Floating Rate Spread: None

Floating Rate Reset Dates: Weekly, on every Thursday, or if any Thursday is not a Business Day, the next succeeding Business Day.

Floating Rate Day Count Fraction: Actual/Actual

Floating Rate Period End Dates: Adjusted in accordance with the Following Business Day Convention.

Averaging: Applicable

Method of Averaging: Weighted Average

Fixed Amounts:

Fixed Rate Payer: Counterparty

Fixed Rate Payer Payment Dates: Semiannually, on each February 1 and August 1, commencing on February 1, 2003 and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Fixed Rate: 4.127%

Fixed Rate Day Count Fraction: 30/360

Fixed Rate Period End Dates: Adjusted in accordance with the Following Business Day Convention.

Business Days: New York

Calculation Agent: GSCM, unless otherwise specified in the Swap Agreement.

Governing Law:

New York law, unless otherwise specified in the Swap Agreement

5. Documentation:

ISDA Master Agreement with GSCM Schedule

6. Additional Provisions:

Amortization Schedule

<u>from and including*</u>	<u>to but excluding*</u>	<u>the applicable USD</u> <u>Notional Amount shall be:</u>
Effective Date	August 1, 2008	350,000,000
August 1, 2008	August 1, 2009	312,640,000
August 1, 2009	August 1, 2010	273,550,000
August 1, 2010	August 1, 2011	232,690,000
August 1, 2011	August 1, 2012	190,145,000
August 1, 2012	August 1, 2013	145,690,000
August 1, 2013	August 1, 2014	99,245,000
August 1, 2014	August 1, 2015	50,710,000

7. Other Provisions:

(a) Option to Terminate In Whole with Cash Settlement.

In connection with this Transaction, Counterparty shall have the Option to early terminate, cancel and cash settle this Transaction, in whole as well as in part, on any Business Day after the Trade Date and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention (the "Optional Termination Date"). This Option may be exercised by written, telex or facsimile notice delivered to Goldman no later than ten (10) Business Days prior to the Optional Termination Date (the "Notification Date"), which notice shall only be effective upon actual receipt by Goldman and shall be irrevocable. Following any such early termination and cancellation and payment of the Cash Settlement Amount as calculated below, the parties shall be relieved of all further payment obligations hereunder on the terminated portion except for payment of all accrued but yet unpaid amounts calculated to but excluding the Optional Termination Date (unless otherwise included in the Cash Settlement Amount as calculated below).

Notwithstanding anything to the contrary contained herein, Counterparty will not exercise this Option if, in connection with such exercise, a Cash Settlement Amount would be payable by Counterparty to Goldman unless Counterparty provides evidence reasonably satisfactory to Goldman that: (i) such Cash Settlement Amount will be made by Counterparty on the second Business Day immediately following the Optional Termination Date, and (ii) such Cash Settlement Amount will not cause Counterparty to be in violation of, or in default of, any material obligation under any Covered Document or any other material agreement of Counterparty.

Cash Settlement Amount:

The Calculation Agent will determine a U.S. Dollar value for the terminated portion of this Transaction (the "Cash Settlement Amount") in accordance with either (i) or (ii) below:

(i) Such Cash Settlement Amount will be mutually agreed upon by the parties at approximately 11:00 a.m. (New York time) on the Optional Termination Date.

(ii) Such Cash Settlement Amount will be determined by the Calculation Agent based on bid-side Market Quotations obtained from five Reference Market-makers selected in good faith by the Calculation Agent, copies of which Market Quotations will be provided to Counterparty. The Cash Settlement Amount will be the arithmetic mean of such quotations, after discarding the highest and lowest quote; provided, however, that in the event one or more of the highest or lowest quotations is identical, then only one such highest or lowest quote will be discarded. If three Market Quotations or fewer are provided, the Cash Settlement Amount will be the arithmetic mean of the quotations obtained, without discarding the highest and lowest of quote, or the single Market Quotation, as the case may be. Such Reference Market-makers will be polled by the Calculation Agent at approximately 11:00 a.m. (New York time) on the Optional Termination Date. Such Cash Settlement Amount will be payable on the second Business Day immediately following the Optional Termination Date.

Market Quotations shall be based on the bid-side cash value for a hypothetical transaction with the same economic terms as the remaining term of this Transaction, calculated from the perspective of the Reference Market-makers fulfilling the obligations of Counterparty, and each Reference Market-maker must certify in writing that such Reference Market-maker is prepared to accept an assignment of this Transaction on the basis of their quotation. If the Market Quotations obtained in the manner described above result in a positive amount, such amount shall be deemed the Cash Settlement Amount and shall be payable by Goldman to Counterparty. Otherwise, if Market Quotations obtained in the manner described above result in a negative amount, the absolute value of such negative amount shall be deemed the Cash Settlement Amount and shall be payable by Counterparty to Goldman.

(b) Offsetting Swap Transaction

In lieu of the Option described in section (a) above, and provided no Event of Default, Potential Event of Default or Termination Event has occurred, or is occurring, with Counterparty as the Defaulting Party or Affected Party, as the case may be, Counterparty may deliver a written notice to GSCM requesting GSCM and Counterparty to negotiate in good faith to enter into an additional transaction (the "Offsetting Swap") with terms mutually agreeable to both parties, provided that, (i) the term to maturity of the Offsetting Swap shall be equal to the term remaining on this Transaction, (ii) Counterparty shall be the Floating Rate Payer on the Offsetting Swap, (iii) the Floating Rate Option on the Offsetting Swap shall be identical to the Floating Rate Option on this Transaction, (iv) GSCM shall be the Fixed Rate Payer on the Offsetting Swap and (v) the Fixed Rate on the Offsetting Swap shall be a rate determined by GSCM. Such notice must be received by GSCM at least ten (10) Business Days prior to the date such Offsetting Swap is entered into.

Notwithstanding any other provision of this Confirmation or the Swap Agreement, GSCM's obligations under this section (b) shall be subject to the conditions precedent (i) that on the date of Counterparty's request Counterparty has the legal authority to execute the Offsetting Swap, (ii) of confirmation by Counterparty, accompanied by documentation in form and substance satisfactory to GSCM, that the source of funds specified in the Swap Agreement is available to pay Counterparty's obligations under the Offsetting Swap, and (iii) of receipt of an opinion from a nationally recognized bond counsel in form and substance satisfactory to GSCM.

Additionally, subsequent to the date of this Transaction, if GSCM assigns all of its rights and obligations under this Transaction to Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMDP"), Counterparty's rights under this section (b) shall be further subject to the then prevailing criteria that GSMDP applies in connection with entering into transactions with parties of a similar type and credit standing as Counterparty.

(c) Rating Downgrade Event.

The following shall constitute an Additional Termination Event:

(i) Failure by GSCM to take any action required under the ratings downgrade provision set forth below.

In the event that the long-term senior, unsecured indebtedness rating of GSCM's Credit Support Provider (or financial program rating or counterparty credit rating, as applicable) at any time falls below "A3", "A-" and "A-" by each of Moody's, S&P and Fitch, respectively, or fails to maintain at least one such published rating from either Moody's or S&P, GSCM shall, within 30 days of the date of such event:

(a) transfer all of its rights and obligations under the Agreement to an Affiliate of GSCM which has such required ratings; or

(b) cause an entity to guarantee or provide an indemnity in respect of GSCM's obligations under the Agreement in form and substance reasonably satisfactory to Counterparty, provided such entity has a credit rating of "Aaa" and "AAA" by each of Moody's and S&P, respectively, on the date such guarantee or indemnity is entered into and, provided further, such rating after the date the guarantee or indemnity is entered into is equal to or greater than "Aa3" and "AA-" by each of Moody's and S&P, respectively; or

(c) post collateral acceptable to Counterparty.

For the avoidance of doubt, GSCM shall be responsible for:

(a) locating a party with the required ratings to transfer all its interest in and obligations under the Agreement or to guarantee or provide an indemnity in respect of its obligations under the Agreement; and

(b) any cost incurred by it in complying with its obligations under this subsection (i).

For the purpose of the foregoing Additional Termination Event, GSCM shall be the sole Affected Party and this Transaction shall be the sole Affected Transaction.

(ii) Failure by Counterparty to take any action required under the ratings downgrade provision set forth below.

In the event that the unenhanced long-term indebtedness rating of Counterparty's General Revenue Bonds (as defined in Counterparty's General Revenue Bond Resolution adopted January 24, 1990) at any time falls below "A3", "A-" and "A-" by each of Moody's, S&P and Fitch, respectively, or fails to maintain at least one such rating from either Moody's or S&P, Counterparty shall, within 30 days of the date of such event:

(a) cause an entity to guarantee or provide an indemnity in respect of Counterparty's obligations under the Agreement in form and substance reasonably-satisfactory to GSCM, provided such entity has a credit rating of "Aaa" and "AAA" by each of Moody's and S&P, respectively, on the date such guarantee or indemnity is entered into and, provided further, such rating after the date the guarantee or indemnity is entered into is equal to or greater than "Aa3" and "AA-" by each of Moody's and S&P, respectively; or

(b) deliver a letter of credit in respect of Counterparty's obligations under the Agreement issued by a financial institution reasonably acceptable to GSCM with such required ratings in form and substance reasonably satisfactory to GSCM; or

(c) post collateral acceptable to GSCM.

For the avoidance of doubt, Counterparty shall be responsible for:

(a) locating a party with the required ratings to guarantee or provide an indemnity or to issue a letter of credit in respect of its obligations under this Agreement; and

(b) any cost incurred by it in complying with its obligations under this subsection (ii).

For the purpose of the foregoing Additional Termination Event, Counterparty shall be the sole Affected Party and this Transaction shall be the sole Affected Transaction. For the purpose of the foregoing,

"Fitch" means, Fitch IBCA, Inc., or any successor.

"Moody's" means, Moody's Investors Service, Inc., or any successor.

"S&P" means, Standard & Poor's Rating Services (a division of the McGraw Hill Companies), or any successor.

8. Credit Support Documents:

Standard Guaranty of The Goldman Sachs Group, Inc.

9. Account Details:

USD Payments to GSCM:
For the Account of:

Goldman Sachs Capital Markets, L.P.

Name of Bank:
Account No:
Fed ABA No:

Citibank, N.A. New York
40670834
021000089

GSCM Inquiries

Catherine Gleason / Yaakov Ringler
Swap Operations
Goldman Sachs Capital Markets, L.P.
Telephone No.: 212-855-7734 / 212-357-8603
Facsimile No.: 212-902-5692

Payments to Counterparty:

In accordance with Counterparty's written instructions as set forth below or otherwise delivered to GSCM. GSCM shall make no payments without having received (i) such written instructions and (ii) a fully executed facsimile copy of this Confirmation or other written acceptance of the terms hereof.

For the Account of:
Name of Bank:
Account No:
Attention:
ABA No.:

10. Offices:

- (a) The Office of GSCM for this Transaction is 85 Broad Street, New York, New York, 10004.
- (b) The Office of Counterparty for this Transaction is Charlestown Navy Yard, 100 First Avenue, Boston, MA 02129.

11. Counterparty hereby agrees (a) to check this Confirmation (Reference No.: NUUS1028G0 (600000000)) carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing correctly sets forth the terms of the agreement between GSCM and Counterparty with respect to the particular Transaction to which this Confirmation relates, by manually signing this Confirmation and providing the other information requested herein and immediately returning an executed copy to Swap Administration, facsimile No. 212-902-5892.

Very truly yours,

GOLDMAN SACHS CAPITAL MARKETS, L.P.

By: Goldman Sachs Capital Markets, L.L.C.
General Partner

By: [Signature]
Name:
Title:

Agreed and Accepted By:
Massachusetts Water Resources Authority

By: [Signature]
Name: Kenneth Wissman
Title: Treasurer

Counterparty Reference No.: _____