

ISDA CONFIRMATION

To: Massachusetts Water Resources Authority
Charlestown Navy Yard
100 First Avenue
Boston, MA 02129
Attention: Matt Horan
Telephone: (617) 788-4397
Fax: (617) 788-4887

From: Wells Fargo Bank, N.A.
550 California Street
MAC A0112-121
San Francisco, CA 94104
Telephone: (415) 396-2144
Fax: (415) 986-2604

Re: **USD 133,300,000.00 Interest Rate Swap Transaction (435820)**

Date: October 28, 2008

Ladies and Gentlemen:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction ("Transaction") entered into between Wells Fargo Bank, N.A. ("Party A") and Massachusetts Water Resources Authority, a Massachusetts state governmental tax exempt agency ("Party B"). This Transaction is effective at, and as of 12:01 a.m., California time, on the Trade Date specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA")) (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 supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of October 28, 2008, (as the same may be amended, modified or supplemented from time to time, the "Agreement") between Party A and Party B. This communication itself constitutes a binding agreement setting forth the essential terms of the Transaction described herein. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

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

Notional Amount:	USD 133,300,000.00	(Initial Notional Amount - please refer to the attached Schedule I)
Trade Date:	October 28, 2008	
Effective Date:	October 28, 2008	
Termination Date:	August 1, 2030, subject to adjustment in accordance with the Following Business Day Convention.	
Upfront Payment:	USD 25,005,000 payable by Party A to Party B	
Upfront Payment Date:	October 31, 2008	

Fixed Amounts

Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	The 1st day of each February and August, beginning with February 2, 2009, continuing up to and including the Termination Date, subject to adjustment in

accordance with the designated Business Day Convention.

Calculation Period: From the 1st day of each February and August, up to the 1st day of the following semi-annual period, continuing until the Termination Date, subject to adjustment in accordance with the designated Business Day Convention. The first Calculation Period will be October 28, 2008 to February 2, 2009.

Fixed Rate: 4.47% (Referencing initial Fixed Rate - please refer to the attached Schedule I)

Fixed Rate Day Count Fraction: 30/360

Business Day Convention: Following

Floating Amounts

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: The 1st day of each February and August, beginning with February 2, 2009, continuing up to and including the Termination Date, subject to adjustment in accordance with the designated Business Day Convention.

Calculation Period: From the 1st day of each February and August, up to the 1st day of the following semi-annual period, continuing until the Termination Date, subject to adjustment in accordance with the designated Business Day Convention. The first Calculation Period will be October 28, 2008 to February 2, 2009.

Floating Rate Option: USD-SIFMA Municipal Swap Index

Designated Maturity: 1 Week

Spread: None

Floating Rate Day Count Fraction: Actual/Actual

Floating Rate for Initial Calculation Period: To be determined.

Reset Dates: Each Thursday during the Calculation Period, or if such day is not a New York City Business Day, the next succeeding New York City Business Day, provided, however, the Floating Rate for the initial Calculation Period shall be the rate in effect for the immediately preceding Thursday.

Rate Cut-off Date: Not Applicable

Method of Averaging: Weighted

Compounding: Not Applicable.

Business Day Convention: Following

Business Days: New York City

Credit Support Document: As set forth in and pursuant to the Agreement.

Credit Support Provider for Party B: As set forth in and pursuant to the Agreement.

Account Details:

Payments due to Party A: Party B will wire payment(s) to the following account:
Bank Name: Wells Fargo Bank, N.A.

ABA Number: 121000248
Account Name: Wells Fargo Municipal Derivatives
Account Number: 4375691755
Reference: 435820

Payments due to Party B: Settlement instructions to be provided.

Calculation Agent: Party A

3. Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorized officer sign one copy of this telecopy Confirmation and returning it to us by telecopier to:

Wells Fargo Bank, N.A.

Attention: Documentation Group

Fax: (415) 986-2604

4. Each party represents to the other party hereto that (i) it is not acting as a fiduciary or a financial or investment advisor for the other party; (ii) it is not relying upon any advice, counsel or representations (whether written or oral) of the other party other than the representations expressly set forth in the Master Agreement, any Credit Support Document and herein; (iii) the other party hereto has not given to it any advice or counsel as to the expected or projected success, return, performance, result, consequence or benefit (either legal, regulatory, tax, financial, accounting, or otherwise) of this Transaction; (iv) it has consulted with its own legal, regulatory, tax, business, investment financial and accounting advisors to the extent it has deemed necessary and has made its own investment, hedging, and trading decisions (including decisions regarding the suitability of this Transaction) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the other party hereto; (v) it has determined that the rates, prices, or amounts and other terms of this Transaction in the indicative quotations (if any) provided by the other party hereto reflect those in the relevant market for similar transactions, and all trading decisions have been the result of arms length negotiations between the parties; (vi) it is entering into this Transaction with a full understanding of all of the terms, conditions and risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (vii) it is a sophisticated investor.

5. **Off-Market Acknowledgment.** Party B has requested that Party A enter into this Transaction, a portion of which is off-market (the "Off Market Portion" and, this Transaction, this "Off Market Transaction"). As a result of the Off-Market Portion, the Fixed Rate payable by Party B to Party A hereunder is higher than it would otherwise be under current market conditions. In consideration of Party A's agreement to enter into this Off Market Transaction, Party B hereby reaffirms all representations and warranties set forth in the Agreement, including without limitation the representations included in Part 4(l) of the Schedule, and represents and warrants that:

(i) Party B is duly authorized to enter into this Off Market Transaction and entering into this Off Market Transaction is consistent with Party B's internal policies;

(ii) Party B's counsel, accountants and tax and other advisors are familiar with this Off Market Transaction and do not object to the use of the Off Market Portion, and, relying on the advice of such professionals and advisors, Party B has made an independent analysis and decision regarding this Off Market Transaction;

(iii) Party B has determined the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences, of this Off Market Transaction and is capable of assuming such risks, without relying on the advice of Party A for legal, accounting, tax, investment or other matters; and

(iv) nothing herein shall give rise to any liability or responsibility on the part of Party A for the success or otherwise of this Off-Market Transaction.

6. **Optional Termination.** Party B may, on any Business Day prior to the Termination Date (the "Optional Termination Date"), terminate and cash settle this Transaction, in whole or in part, by providing at least five (5) Business Days prior written notice to Party A; provided that no Potential Event of Default, Event of Default or Termination Event has occurred with respect to Party B as the Defaulting Party or Affected Party, as applicable. The amount due with respect

to any such termination shall be determined by Party A in its sole discretion. If Party B elects to dispute such amount, the amount due with respect to such termination shall be determined pursuant to Section 6 of the Master Agreement as if (a) the Optional Termination Date is the Early Termination Date, (b) Party B is the sole Affected Party (for all purposes other than an election to terminate), (c) this Transaction (or portion hereof) is the sole Affected Transaction, and (d) Market Quotation and Second Method are selected for purposes of Payments on Early Termination. Party B agrees that it shall not optionally terminate this Transaction unless it has or will have on the Optional Termination Date sufficient funds available to pay any Settlement Amount which may be due and payable as a result of such early termination. Notwithstanding anything herein to the contrary, the parties will be obligated to pay any unpaid amounts (with respect to such termination or partial termination) that would otherwise be payable on, or accrued to, the Optional Termination Date or, if applicable, the next succeeding Business Day.

Yours sincerely,

Wells Fargo Bank, N.A.	
By:	_____
Name:	_____
Its:	_____
Accepted and confirmed as of the Trade Date:	
Massachusetts Water Resources Authority	
By:	_____
Name:	_____
Its:	_____

**Schedule I for Transaction 435820:
Fixed Cash Flows**

Start Date	End Date	Payment Date	Fixed Rate	Notional	Notional Change
10/28/2008	02/02/2009	02/02/2009	4.47%	USD 133,300,000.00	
02/02/2009	08/03/2009	08/03/2009	4.47%	USD 133,300,000.00	USD 0.00
08/03/2009	02/01/2010	02/01/2010	4.47%	USD 133,300,000.00	USD 0.00
02/01/2010	08/02/2010	08/02/2010	4.47%	USD 133,300,000.00	USD 0.00
08/02/2010	02/01/2011	02/01/2011	4.47%	USD 133,300,000.00	USD 0.00
02/01/2011	08/01/2011	08/01/2011	4.47%	USD 133,300,000.00	USD 0.00
08/01/2011	02/01/2012	02/01/2012	4.47%	USD 133,300,000.00	USD 0.00
02/01/2012	08/01/2012	08/01/2012	4.47%	USD 133,300,000.00	USD 0.00
08/01/2012	02/01/2013	02/01/2013	4.47%	USD 133,300,000.00	USD 0.00
02/01/2013	08/01/2013	08/01/2013	4.47%	USD 133,300,000.00	USD 0.00
08/01/2013	02/03/2014	02/03/2014	5.494%	USD 133,300,000.00	USD 0.00
02/03/2014	08/01/2014	08/01/2014	5.494%	USD 133,300,000.00	USD 0.00
08/01/2014	02/02/2015	02/02/2015	5.494%	USD 133,300,000.00	USD 0.00
02/02/2015	08/03/2015	08/03/2015	5.494%	USD 133,300,000.00	USD 0.00
08/03/2015	02/01/2016	02/01/2016	5.494%	USD 133,300,000.00	USD 0.00
02/01/2016	08/01/2016	08/01/2016	5.494%	USD 133,300,000.00	USD 0.00
08/01/2016	02/01/2017	02/01/2017	5.494%	USD 133,300,000.00	USD 0.00
02/01/2017	08/01/2017	08/01/2017	5.494%	USD 133,300,000.00	USD 0.00
08/01/2017	02/01/2018	02/01/2018	5.494%	USD 133,300,000.00	USD 0.00
02/01/2018	08/01/2018	08/01/2018	5.494%	USD 133,300,000.00	USD 0.00

08/01/2018	02/01/2019	02/01/2019	5.494%	USD 133,300,000.00	USD 0.00
02/01/2019	08/01/2019	08/01/2019	5.494%	USD 133,300,000.00	USD 0.00
08/01/2019	02/03/2020	02/03/2020	6.935%	USD 133,300,000.00	USD 0.00
02/03/2020	08/03/2020	08/03/2020	6.935%	USD 133,300,000.00	USD 0.00
08/03/2020	02/01/2021	02/01/2021	6.935%	USD 106,750,000.00	USD 26,550,000.00
02/01/2021	08/02/2021	08/02/2021	6.935%	USD 106,750,000.00	USD 0.00
08/02/2021	02/01/2022	02/01/2022	6.935%	USD 94,600,000.00	USD 12,150,000.00
02/01/2022	08/01/2022	08/01/2022	6.935%	USD 94,600,000.00	USD 0.00
08/01/2022	02/01/2023	02/01/2023	6.935%	USD 65,050,000.00	USD 29,550,000.00
02/01/2023	08/01/2023	08/01/2023	6.935%	USD 65,050,000.00	USD 0.00
08/01/2023	02/01/2024	02/01/2024	6.935%	USD 61,750,000.00	USD 3,300,000.00
02/01/2024	08/01/2024	08/01/2024	6.935%	USD 61,750,000.00	USD 0.00
08/01/2024	02/03/2025	02/03/2025	6.935%	USD 58,200,000.00	USD 3,550,000.00
02/03/2025	08/01/2025	08/01/2025	6.935%	USD 58,200,000.00	USD 0.00
08/01/2025	02/02/2026	02/02/2026	6.935%	USD 54,500,000.00	USD 3,700,000.00
02/02/2026	08/03/2026	08/03/2026	6.935%	USD 54,500,000.00	USD 0.00
08/03/2026	02/01/2027	02/01/2027	6.935%	USD 39,100,000.00	USD 15,400,000.00
02/01/2027	08/02/2027	08/02/2027	6.935%	USD 39,100,000.00	USD 0.00
08/02/2027	02/01/2028	02/01/2028	6.935%	USD 35,200,000.00	USD 3,900,000.00
02/01/2028	08/01/2028	08/01/2028	6.935%	USD 35,200,000.00	USD 0.00
08/01/2028	02/01/2029	02/01/2029	6.935%	USD 35,200,000.00	USD 0.00
02/01/2029	08/01/2029	08/01/2029	6.935%	USD 35,200,000.00	USD 0.00
08/01/2029	02/01/2030	02/01/2030	6.935%	USD 35,200,000.00	USD 0.00
02/01/2030	08/01/2030	08/01/2030	6.935%	USD 35,200,000.00	USD 0.00

Floating Cash Flows

Start Date	End Date	Payment Date	Notional	Notional Change
10/28/2008	02/02/2009	02/02/2009	USD 133,300,000.00	
02/02/2009	08/03/2009	08/03/2009	USD 133,300,000.00	USD 0.00
08/03/2009	02/01/2010	02/01/2010	USD 133,300,000.00	USD 0.00
02/01/2010	08/02/2010	08/02/2010	USD 133,300,000.00	USD 0.00
08/02/2010	02/01/2011	02/01/2011	USD 133,300,000.00	USD 0.00
02/01/2011	08/01/2011	08/01/2011	USD 133,300,000.00	USD 0.00
08/01/2011	02/01/2012	02/01/2012	USD 133,300,000.00	USD 0.00
02/01/2012	08/01/2012	08/01/2012	USD 133,300,000.00	USD 0.00
08/01/2012	02/01/2013	02/01/2013	USD 133,300,000.00	USD 0.00
02/01/2013	08/01/2013	08/01/2013	USD 133,300,000.00	USD 0.00
08/01/2013	02/03/2014	02/03/2014	USD 133,300,000.00	USD 0.00
02/03/2014	08/01/2014	08/01/2014	USD 133,300,000.00	USD 0.00
08/01/2014	02/02/2015	02/02/2015	USD 133,300,000.00	USD 0.00
02/02/2015	08/03/2015	08/03/2015	USD 133,300,000.00	USD 0.00
08/03/2015	02/01/2016	02/01/2016	USD 133,300,000.00	USD 0.00
02/01/2016	08/01/2016	08/01/2016	USD 133,300,000.00	USD 0.00
08/01/2016	02/01/2017	02/01/2017	USD 133,300,000.00	USD 0.00

02/01/2017	08/01/2017	08/01/2017	USD 133,300,000.00	USD 0.00
08/01/2017	02/01/2018	02/01/2018	USD 133,300,000.00	USD 0.00
02/01/2018	08/01/2018	08/01/2018	USD 133,300,000.00	USD 0.00
08/01/2018	02/01/2019	02/01/2019	USD 133,300,000.00	USD 0.00
02/01/2019	08/01/2019	08/01/2019	USD 133,300,000.00	USD 0.00
08/01/2019	02/03/2020	02/03/2020	USD 133,300,000.00	USD 0.00
02/03/2020	08/03/2020	08/03/2020	USD 133,300,000.00	USD 0.00
08/03/2020	02/01/2021	02/01/2021	USD 106,750,000.00	USD 26,550,000.00
02/01/2021	08/02/2021	08/02/2021	USD 106,750,000.00	USD 0.00
08/02/2021	02/01/2022	02/01/2022	USD 94,600,000.00	USD 12,150,000.00
02/01/2022	08/01/2022	08/01/2022	USD 94,600,000.00	USD 0.00
08/01/2022	02/01/2023	02/01/2023	USD 65,050,000.00	USD 29,550,000.00
02/01/2023	08/01/2023	08/01/2023	USD 65,050,000.00	USD 0.00
08/01/2023	02/01/2024	02/01/2024	USD 61,750,000.00	USD 3,300,000.00
02/01/2024	08/01/2024	08/01/2024	USD 61,750,000.00	USD 0.00
08/01/2024	02/03/2025	02/03/2025	USD 58,200,000.00	USD 3,550,000.00
02/03/2025	08/01/2025	08/01/2025	USD 58,200,000.00	USD 0.00
08/01/2025	02/02/2026	02/02/2026	USD 54,500,000.00	USD 3,700,000.00
02/02/2026	08/03/2026	08/03/2026	USD 54,500,000.00	USD 0.00
08/03/2026	02/01/2027	02/01/2027	USD 39,100,000.00	USD 15,400,000.00
02/01/2027	08/02/2027	08/02/2027	USD 39,100,000.00	USD 0.00
08/02/2027	02/01/2028	02/01/2028	USD 35,200,000.00	USD 3,900,000.00
02/01/2028	08/01/2028	08/01/2028	USD 35,200,000.00	USD 0.00
08/01/2028	02/01/2029	02/01/2029	USD 35,200,000.00	USD 0.00
02/01/2029	08/01/2029	08/01/2029	USD 35,200,000.00	USD 0.00
08/01/2029	02/01/2030	02/01/2030	USD 35,200,000.00	USD 0.00
02/01/2030	08/01/2030	08/01/2030	USD 35,200,000.00	USD 0.00