

Date:	December 22, 1998, as amended and restated as of May 29, 2008	EXECUTION COPY
To:	Massachusetts Water Resources Authority	From: <b>Morgan Stanley Capital Services Inc.</b>
Attn:	<b>Rachel Madden</b>	Contact: <b>NY Deriv Client Services</b>
Fax:	617-241-6070	Fax: <b>646-202-9134</b>
Tel:	617-242-6000	Tel: <b>212-761-2996</b>
E-mail:	<b>Rachel.Madden@mwra.state.ma.us</b>	E-mail: <b>Municonfirms_In@morganstanley.com</b>

Re: Swap MSCS Ref. No. ADAHQ

**THIS AMENDED AND RESTATED CONFIRMATION SUPERSEDES ALL PRIOR CONFIRMATIONS OF THIS TRANSACTION. THE CHANGES TO THE TRANSACTION CONTEMPLATED BY THIS AMENDED AND RESTATED CONFIRMATION SHALL BE EFFECTIVE AS OF MAY 29, 2008.**

The purpose of this letter agreement is to confirm the terms and conditions of the Swap Transaction entered into between us effective on the Effective Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement below.

The definitions and provisions contained in the **2006 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 the Definitions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the Master Agreement dated as of December 22, 1998, as amended and supplemented from time to time (the "Agreement") between you and us. 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:	<b>Morgan Stanley Capital Services Inc.</b>
Party B:	Massachusetts Water Resources Authority
Trade Date:	December 9, 1998
Notional Amount:	See Schedule 1

Effective Date: December 22, 1998

Termination Date: November 1, 2026

Fixed Amounts

Fixed Amount Payer: Party B

Fixed Amount Payer Payment Date: Monthly on the first Business Day of each month, commencing January 4, 1999, up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

**Fixed Rate:** 4.03275%

Fixed Rate Day Count Fraction: 30/360

Floating Amounts:

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Monthly on the first Business Day of each month, commencing on January 4, 1999, up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

**Floating Rate Option:** USD-SIFMA Municipal Swap Index

Floating Rate Day Count Fraction: Actual/Actual

Floating Rate Reset Dates: Every Thursday (or any other day specified by the Securities Industry and Financial Markets Association), or if any Thursday is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day.

Alternative Floating Rate Option: A per annum rate, expressed as a decimal, equal to 70% of the rate determined for one-month deposits under the "USD-LIBOR-BBA" option described in the Definitions in effect for each Alternative Floating Rate Reset Date in the relevant Calculation Period.

Alternative Floating Rate Day Count Fraction:	Actual/360
Alternative Floating Rate Reset Dates:	The first Business Day the Alternative Floating Rate Option is in effect and thereafter monthly, on the first Business Day of each month.
Period End Dates:	Fixed Period End Dates or first day of each month without adjustment.
Method of Averaging:	Weighted Average
Business Days:	New York and London
Calculation Agent:	Party A

3. Additional Provisions:

(a) Upon the occurrence of an Event of Taxability (as defined below), Party A may at its option elect to apply, on and after a date specified in an appropriate notice to Party B (the "Alternative Floating Rate Date"), the Alternative Floating Rate Option.

For the purpose of this Paragraph 3(a), Event of Taxability means the occurrence of any of the following:

(1) In the reasonable opinion of Party A, by reason of enacted legislation, constitutional amendment, judicial decision or decree, or any order, ruling (public or private), regulation or official release of the Department of the Treasury or the Internal Revenue Service, or any successors thereto, the relationship between the **USD-SIFMA Municipal Swap Index** and USD-LIBOR-BBA (one-month deposit rates) has been substantially adversely affected (which shall mean that the 60-day average of the **USD-SIFMA Municipal Swap Index** as a percentage of the 60-day average of USD-LIBOR-BBA (one month deposit dates) has exceeded 80% or the 90-day average of the **USD-SIFMA Municipal Swap Index** as a percentage of the 90-day average of USD-LIBOR-BBA (one-month deposit dates) has exceeded 75%); or

(2) The maximum federal income tax rate applicable to income or interest from corporate and/or U.S. Government debt instruments is less than 25%.

(b) Notwithstanding anything in the Agreement or this Confirmation to the contrary, the Settlement Amount shall be calculated using the Alternative Floating Rate Option.

4. Account Details:

Payments to Party A:	Citibank, New York ABA No. 021 000 021 For: Morgan Stanley Derivative Products Inc. Account No. 930 103 4840
----------------------	---

Payments to Party B:

US Bank N.A.  
ABA No. 091 000 022  
Account No. 173103321092  
Ref: MWRA-Swap

Operations Contact:

Barbara Kent  
Tel 212 761-4662  
Fax 212 761-0581

5. Definitions. The term “Covered Agreement” shall mean the General Revenue Bond Resolution of Party B adopted January 24, 1990, as amended.

Please confirm that the foregoing correctly sets forth the terms of our agreement MSCS Ref. ADAHQ by executing this **Amended and Restated** Confirmation and returning it to us.

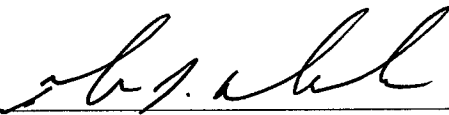
Best Regards,

**MORGAN STANLEY CAPITAL SERVICES INC.**

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

Acknowledged and agreed as of the date first written above:

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

By:  \_\_\_\_\_  
Name: Thomas J. Durkin  
Title: Treasurer

## SCHEDULE 1

<b>FROM</b>	<b>TO</b>	<b>NOTIONAL AMOUNT</b>
Effective Date	11/01/08	79,560,000
11/01/08	11/01/09	77,760,000
11/01/09	11/01/10	75,480,000
11/01/10	11/01/11	74,880,000
11/01/11	11/01/12	72,480,000
11/01/12	11/01/13	70,000,000
11/01/13	11/01/14	67,440,000
11/01/14	11/01/15	64,760,000
11/01/15	11/01/16	61,960,000
11/01/16	11/01/17	59,080,000
11/01/17	11/01/18	49,080,000
11/01/18	11/01/19	38,680,000
11/01/19	11/01/20	27,880,000
11/01/20	11/01/21	20,960,000
11/01/21	11/01/22	17,800,000
11/01/22	11/01/23	14,520,000
11/01/23	11/01/24	11,120,000
11/01/24	11/01/25	7,560,000
11/01/25	11/01/26	3,880,000