

MASSACHUSETTS WATER RESOURCES AUTHORITY
\$ _____
Multi-Modal Subordinated General Revenue Bonds
_____ Series ____

REMARKETING AGREEMENT

Boston, Massachusetts
_____, 2008

Massachusetts Water Resources Authority
Charlestown Navy Yard
100 First Avenue
Boston, Massachusetts 02129

Ladies and Gentlemen:

This is to confirm the agreement between the undersigned, _____, acting in its capacity as remarketing agent (the “Remarketing Agent”), and Massachusetts Water Resources Authority (the “Issuer”), for the Remarketing Agent to act as exclusive remarketing agent in connection with the offering and sale from time to time in the secondary market of \$ _____ aggregate principal amount of the Issuer’s Multi-Modal Subordinated General Revenue Bonds, _____ Series ____ (the “Bonds”), which were issued by the Issuer pursuant to its General Revenue Bond Resolution, as supplemented and amended to the date hereof, including by the Issuer’s _____ Supplemental Resolution adopted on _____ (the “_____ Supplemental Resolution”). The General Revenue Bond Resolution, as supplemented and amended to the date hereof, including by the _____ Supplemental Resolution, is hereinafter referred to as the “Resolution.” The Bonds and the Resolution, among other things, are described in the Issuer’s Official Statement dated _____ (the “Official Statement”).

U.S. Bank National Association, as Tender Agent for the Bonds (the “Tender Agent”) has entered into (i) a [Reimbursement][Standby Bond Purchase] Agreement (the “[Credit] [Liquidity] Agreement”) with _____ (“[Credit] [Liquidity] Facility Issuer”), which will provide liquidity support for the Bonds tendered for purchase and not remarketed, and (ii) a Tender Agent Agreement (the “Tender Agent Agreement”) with the Issuer.

All capitalized terms used herein and not defined herein shall have the meanings specified in the Resolution unless the context otherwise requires.

The Remarketing Agent and the Issuer hereby agree as follows:

1. The Bonds. As more fully described in the Resolution, the Bonds will be issuable, subject to the terms and conditions of the Resolution, in the form of fully registered

Bonds in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 thereof while the Bonds are in the Daily Mode, Weekly Mode, or Commercial Paper Mode (sometimes referred to herein collectively as the “Short Term Mode”) and in authorized denominations of \$5,000 or any integral multiple thereof while the Bonds are in the Term Rate Mode. The Bonds are in the [Weekly] Mode. The Bonds shall in all respects have the terms, conditions, provisions and security provided for in the Resolution.

2. Furnishing of Disclosure Materials.

(a) The Issuer agrees to furnish the Remarketing Agent with as many copies as the Remarketing Agent may reasonably request of the Official Statement and such other information with respect to the Issuer and the Bonds as the Remarketing Agent shall reasonably request from time to time.

(b) The Issuer agrees to cooperate with the Remarketing Agent in the preparation of a new official statement, reoffering document or other disclosure material for the Bonds in the event the Remarketing Agent determines that the preparation and distribution of such official statement, reoffering document or other disclosure material is necessary or desirable in connection with remarketing the Bonds and to furnish or to cause to be furnished to the Remarketing Agent as many copies of such statement or other reoffering materials as the Remarketing Agent shall request.

(c) If, at anytime during the term of this Remarketing Agreement, any event known to either party relating to or affecting the Issuer, the Resolution, the Bonds, the [Credit] [Liquidity] Facility Issuer, the [Credit] [Liquidity] Agreement, any of the Local Bodies (as defined in the Official Statement) or agreements with Local Bodies shall occur that (i) affects the correctness or completeness of any statement of a material fact contained in the Official Statement, reoffering document or other disclosure material, or (ii) results in the Official Statement, reoffering document or other disclosure material containing an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as of the time of such event; such party shall promptly notify the other in writing of the circumstances and details of such event.

(d) In connection with the remarketing of the Bonds as a result of or in anticipation of (1) the occurrence of the conversion of the Bonds to a different Mode, (ii) the occurrence of a material adverse change in the financial condition of the Issuer, including, but not limited to, a change in the long-term or short-term credit ratings of the Issuer, (iii) the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, or (iv) one of the events mentioned in (c) above, the Issuer shall prepare or cause to be prepared at its expense any disclosure documents that in the reasonable opinion of the Remarketing Agent or the Issuer are necessary or desirable.

(e) In order to comply with the requirements of Rule 15c2-12 as promulgated by the Securities and Exchange Commission (as amended, “Rule 15c2-12”), in the event the Remarketing Agent is asked to remarket Bonds in one or more of the following circumstances:

- (i) where the Bonds are to be converted from a Short Term Mode to the Term Rate Mode;
- (ii) where the Authorized Denominations of the Bonds will be reduced (because of a change in Mode or otherwise) from \$100,000 to less than \$100,000; or
- (iii) where the Bonds are otherwise not exempt from the requirements of Rule 15c2-12 (as they are on the date hereof by virtue of being in a Short Term Mode and in minimum authorized denominations of \$100,000), then

(1) the Issuer, at the expense of the Issuer, shall provide the Remarketing Agent, prior to the date the Remarketing Agent is to bid for, offer, sell or remarket any Bonds, a reoffering statement the Issuer deems final as of its date (exclusive of pricing and other sales information permitted to be excluded by Rule 15c2-12);

(2) if a preliminary reoffering statement, or other disclosure document is prepared, the Issuer, at the expense of the Issuer, shall provide the Remarketing Agent with such number of copies thereof as the Remarketing Agent may need to supply at least one copy thereof to each potential customer who requests it; and

(3) the Issuer, at the expense of the Issuer, shall provide the Remarketing Agent within seven (7) Business Days after the date upon which the interest rate on the Bonds is determined or by the time “money confirmations” are to be sent to customers, whichever is earlier, with a number of copies of the final reoffering statement or disclosure document adequate to supply at least one copy of such final reoffering statement or disclosure document to any customer or any potential customer for a period commencing on the date such final reoffering statement or disclosure document is available and extending for a period of ninety (90) days after the end of the initial offering period with respect to the Bonds in authorized denominations of less than \$100,000. During such period, the Issuer agrees to update the final reoffering statement or disclosure document in the same way as provided in paragraph 2(b) above. The Issuer hereby agrees to cooperate fully with the Remarketing Agent in the preparation of such disclosure documents. All costs incurred in connection with the preparation of such disclosure documents and the printing and shipping of such disclosure documents shall be borne by the Issuer.

3. Appointment of Remarketing Agent: Responsibilities of Remarketing Agent.

(a) The Issuer hereby appoints the Remarketing Agent as its exclusive agent for (i) determining from time to time the interest rates for the Bonds in accordance with the terms

of the _____ Supplemental Resolution and (ii) remarketing the Bonds (including Bank Bonds) in accordance with the terms of the _____ Supplemental Resolution and, in reliance upon the representations contained herein and subject to the terms and conditions contained herein, the Remarketing Agent hereby accepts such appointment in connection with such fixing of the rates and the offering and sale of the Bonds from time to time in the secondary market and agrees to perform such duties in accordance with all of the terms and conditions of and as provided in the _____ Supplemental Resolution.

(b) In its capacity as Remarketing Agent, upon notice of any optional or mandatory tender of Bonds for purchase given in each case to the Remarketing Agent pursuant to and in accordance with the Resolution, the Remarketing Agent shall use its best efforts to solicit offers to purchase, at a price not less than 100% of the principal amount thereof, the Bonds that are the subject of any such notice and to perform the other obligations of the Remarketing Agent as set forth in the Resolution, subject in all respects to the terms and conditions hereof and of the Resolution.

(c) The Issuer agrees that, unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall at all times act as exclusive remarketing agent for the Issuer with respect to the Bonds on the terms and conditions herein contained, including any remarketing of the Bonds in connection with, or in anticipation of, the conversion of the Bonds from one Mode to another.

(d) It is understood and agreed that the Remarketing Agent's responsibilities hereunder will be limited to (i) the setting of interest rates for the Bonds in accordance with the terms of the Resolution, (ii) the solicitation of offers to purchase tendered Bonds from investors selected by the Remarketing Agent, (iii) effecting and processing such purchases to the extent set forth in the Resolution, (iv) performing the duties to be performed by the Remarketing Agent as set forth above and in the Resolution, (v) causing the furnishing, by mail or otherwise, at the Issuer's expense, of such disclosure materials as the Remarketing Agent deems necessary or appropriate and (vi) performing such other related functions as may be requested by the Issuer and agreed to by the Remarketing Agent.

(e) The Remarketing Agent agrees that, so long as it is the Remarketing Agent under this Remarketing Agreement, it will take all actions and give all notices required of it as Remarketing Agent under the Resolution.

4. Remarketing Agent Not Acting as Underwriter. The Remarketing Agent will be acting solely as the agent for the Issuer in the remarketing of the Bonds, and the Remarketing Agent's responsibility is limited to the use of its best efforts to solicit offers to purchase the Bonds. The Remarketing Agent is not obligated to buy or to take any position in the Bonds for its own account.

5. Dealing in Bonds by Remarketing Agent. The Remarketing Agent, in its individual capacity, either as principal or as agent, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action that any owner of Bonds may be entitled to take, with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its

individual capacity, either as principal or as agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depositary, trustee or agent for any committee or body of owners of Bonds or other obligations of the Issuer as freely as if it did not act in any capacity hereunder. Under such circumstances the Remarketing Agent shall have only those rights set forth in the Bonds.

6. Limitation on Liability of Remarketing Agent. The Remarketing Agent shall incur no liability to the Issuer or any person for its actions as Remarketing Agent pursuant to the terms of this Remarketing Agreement and the Resolution except for its willful misconduct or gross negligence.

7. Conditions to Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the Issuer contained herein, in each case on and as of the date of delivery of this Remarketing Agreement and on and as of each date on which Bonds are to be remarketed pursuant to this Remarketing Agreement. The obligations of the Remarketing Agent hereunder with respect to each date on which solicitations for offers to purchase Bonds are to be made pursuant to this Remarketing Agreement are also subject, in the discretion of the Remarketing Agent, to the provisions of Section 10 hereof and to the following further conditions:

(a) the Resolution and the [Credit] [Liquidity] Facility shall be in full force and effect and shall not have been amended, modified or supplemented in any way that would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required by or appropriate under Income Tax Regulations in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds) and opinions which are reasonably required by bond counsel and by counsel for the Remarketing Agent and which shall be reasonably satisfactory in form and substance to bond counsel and to counsel for the Remarketing Agent;

(b) there shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of the Issuer since the date of the Official Statement, other than as disclosed in the filings made by the Issuer with respect to its Continuing Disclosure Obligations, and no Event of Default (as such term is defined in the Resolution) shall have occurred and be continuing;

(c) no event shall have occurred under the Resolution which terminates or suspends the optional or mandatory tender provisions of the Bonds.

8. Payment of Fees and Expenses.

(a) In consideration of the services to be performed by the Remarketing Agent under this Remarketing Agreement, the Issuer agrees to pay to the Remarketing Agent an annual

fee equal to ___ basis points of the weighted average daily principal amount of the bonds outstanding. It is understood and agreed that payment of the fee referred to in this paragraph, (a) shall be made by the Issuer in arrears quarterly on the last day of each January, April, July and October, commencing _____, upon receipt of an invoice therefor from the Remarketing Agent. The Issuer also agrees to pay the reasonable out-of-pocket expenses of the Remarketing Agent (including, without limitation, the fees and disbursements of its counsel) incurred in connection with the performance of its obligations under this Remarketing Agreement.

(b) The Issuer will pay all costs and expenses incurred by the Issuer in connection with the remarketing of the Bonds, the fees of the Tender Agent and the fees of accountants, rating services and any other experts retained by the Issuer in connection with the remarketing and resale of the Bonds, including but not limited to, expenses in connection with preparation of a new official statement or other reoffering or disclosure materials as provided in Section 2 hereof and any additional costs associated with the remarketing of the Bonds in the Term Rate Mode.

9. Indemnity and Contribution.

(a) In the event that the Remarketing Agent becomes involved in any capacity in any action, proceeding or investigation in connection with any matter referred to in this Remarketing Agreement, the Issuer will periodically reimburse the Remarketing Agent for any legal and other expenses (including the cost of any investigation and preparation) incurred by the Remarketing Agent in connection therewith, except to the extent that any such legal and other expenses incurred by the Remarketing Agent results from the willful misconduct or gross negligence of the Remarketing Agent in performing the services that are the subject of this Remarketing Agreement. The Issuer also will indemnify and hold harmless the Remarketing Agent against any losses, claims, damages or liabilities to which it may become subject in connection with any matter referred to in this Remarketing Agreement, except to the extent that any such loss, claim, damage or liability results from the willful misconduct or gross negligence of the Remarketing Agent in performing the services that are the subject of this Remarketing Agreement.

(b) Promptly after receipt by the Remarketing Agent of notice of commencement of any such action, if a claim in respect thereof under paragraph (a) above is to be made by the Remarketing Agent, the Remarketing Agent shall notify the Issuer of such action, but the failure of the Remarketing Agent so to notify the Issuer shall not relieve the Issuer of any liability that it may have to the Remarketing Agent otherwise than under such paragraph. In the event a claim is to be made by the Remarketing Agent under paragraph (a), the Issuer shall be entitled to assume the defense of such action with counsel reasonably satisfactory to the Remarketing Agent and, thereafter, the Issuer shall not be liable to the Remarketing Agent for any legal expenses subsequently incurred by the Remarketing Agent in connection with the defense of such action, other than the Remarketing Agent's reasonable costs of investigation.

(c) If for any reason the foregoing indemnification is unavailable to the Remarketing Agent or is insufficient to hold the Remarketing Agent harmless, then the Issuer shall contribute to the amount paid or payable by the Remarketing Agent as a result of such loss,

claim, damage or liability or action in respect thereof (including such legal and other expenses) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other hand from the sale of the Bonds or, if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and the Remarketing Agent on the other hand as well as any other relevant equitable considerations. For this purpose the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other hand shall be deemed to be in the same proportion as the principal amount of the Bonds sold (after deducting the commission hereinafter referred to but before expenses) bears to the total commission paid to the Remarketing Agent in respect of Section 8(a) above. The Issuer agrees with the Remarketing Agent that it would not be just and equitable if contribution pursuant to this provision were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to above. The Issuer's reimbursement, indemnity and contribution obligations under this Section shall be in addition to any liability that the Issuer may otherwise have, shall extend upon the same terms and conditions to the partners, employees and controlling persons (if any) of the Remarketing Agent and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer, the Remarketing Agent and any such person.

(d) The indemnity agreements contained in this Section shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent or the Issuer or the delivery of and any payment for any Bonds hereunder, and shall survive the termination or cancellation of this Remarketing Agreement.

10. Term and Termination of Remarketing Agreement; Suspension of Remarketing Efforts.

(a) This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the Issuer and shall continue in full force and effect to and including the date, if any, upon which all of the Bonds are converted to a Term Rate Mode extending to the maturity date thereof or the date upon which the Bonds are no longer outstanding, subject to the right of the Remarketing Agent or the Issuer to cancel this Remarketing Agreement upon the resignation or removal of the Remarketing Agent as provided in Section 11 below.

(b) In addition to the provisions of paragraph (a) of this Section and of Section 7 hereof, the Remarketing Agent may at any time terminate its obligations or suspend its remarketing efforts under this Remarketing Agent by notifying the Issuer in writing or by telegram, telex or other electronic communication or by telephone, confirmed in writing, of its election so to do, if:

(i) If the Remarketing Agent shall have determined, in its sole discretion, after consultation with its counsel, that an offering circular relating to the Bonds which updates the Official Statement is required for distribution to prospective purchasers of the Bonds and that such offering circular is not available, or if available, is not satisfactory to it and its counsel in form or substance;

(ii) Any of the rating agencies then rating the Bonds or the issuer of a [Credit] [Liquidity] Agreement then in effect with regard to the Bonds shall either (1) downgrade such rating assigned to either the Bonds or the [Credit] [Liquidity] Facility Issuer then in effect so that such Bonds are not “Eligible Securities” as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended or (2) suspend or withdraw the then-current ratings assigned to either the Bonds or the issuer of [Credit] [Liquidity] Agreement then in effect with regard to the Bonds, the effect of which is to materially adversely affect the marketability of the Bonds; or

(iii) A decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America or legislation shall be favorably reported by such committee or be introduced by committee, by amendment or otherwise in, or be enacted by the House of Representatives or the Senate, or be recommended by the President of the United States or by committee of the House of Representatives or the Senate to the Congress of the United States for passage by the Congress of the United States, any one of which, in the Remarketing Agent’s reasonable opinion, materially adversely affects the marketability of the Bonds, or a decision by a court established under Article III of the Constitution of the United States or the United States Tax Court shall be rendered or a ruling, regulation or order by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Issuer (or by any similar bodies) or upon interest received on the Bonds; or

(iv) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or by introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate, or be recommended by the President of the United States or by committee of the House of Representatives or the Senate to the Congress of the United States for passage by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds is or would be in violation of any provision of the Securities Act of 1933 as amended and as then in effect (the “Securities Act”), or the Securities Exchange Act of 1934, a amended and as then in effect, or that the Resolution shall be required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “1939 Act”), or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby, without registration under the Securities Act or qualification of the Resolution under the 1939 Act; or

(v) Any event shall have occurred or information shall have become

known that, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement as then supplemented or amended in accordance with Section 2 hereof or other reoffering or disclosure document provided in accordance with Section 2 hereof, or causes the Official Statement, as so supplemented or amended, or such other reoffering or disclosure document to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or

(vi) Except as provided in clauses (i) through (iv) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by any federal governmental body, department or agency of the United States, the State of New York or The Commonwealth of Massachusetts or a decision by any court of competent jurisdiction within the United States, the State of New York or The Commonwealth of Massachusetts shall be rendered which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(vii) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(viii) Any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(ix) A general banking moratorium shall have been established by United States federal, New York or Massachusetts authorities or the applicable regulatory authority in the country the laws of which govern the operations of the [Credit] [Liquidity] Facility Issuer, if any, or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(x) A war involving the United States shall have been declared, hostilities involving the armed forces of the United States shall have broken out or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency or any emergency relating to the effective operation of government or the financial community shall have occurred that, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(xi) Any event shall occur under the Resolution which terminates or suspends the optional or mandatory tender provisions of the Bonds; or

(xii) The Issuer shall fail to comply with the provisions of Section 2 hereof and such failure shall continue for a period of 30 days after notice from the Remarketing Agent.

11. Resignation and Removal of Remarketing Agent.

(a) The Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer, the Trustee, the Credit Facility Issuer, the Tender Agent and the Liquidity Facility Issuer with at least thirty (30) days' written notice. The Issuer shall use its best efforts to appoint a successor Remarketing Agent prior to the effective date of such resignation; provided that if on or before five (5) days before the end of such thirty-day period (or if such fifth day is not a Business Day, on the Business Day immediately preceding such day) the Remarketing Agent, the Trustee, the Credit Facility Issuer, the Tender Agent and the Liquidity Facility Issuer receive a certificate of an Authorized Officer of the Issuer stating that despite the best efforts of the Issuer, the Issuer was unable to appoint a successor Remarketing Agent, the effective date of such resignation shall be extended to the earlier of an additional thirty (30) days or the date of the appointment of a successor Remarketing Agent; provided further that the Issuer shall continue to use its best efforts to appoint a successor Remarketing Agent prior to the conclusion of the thirty (30) days, and if on or before five (5) days before the end of such thirty-day period (or if such fifth day is not a Business Day, on the Business Day immediately preceding such day) the Remarketing Agent, the Trustee, the Credit Facility Issuer, the Tender Agent and the Liquidity Facility Issuer receive a certificate of an Authorized Officer of the Issuer stating that despite the best efforts of the Issuer, the Issuer was unable to appoint a successor Remarketing Agent, the effective date of such resignation shall be extended to the earlier of an additional fifteen (15) days or the date of the appointment of a successor Remarketing Agent. The Remarketing Agent's resignation shall be effective on the earlier of (i) the date on which a successor is appointed or (ii) whether or not a successor has been appointed, the end of such fifteen (15) day extension period.

(b) The Remarketing Agent may be removed at any time, at the direction of the Issuer, by an instrument filed with the Trustee, the Remarketing Agent and the Tender Agent and upon at least thirty (30) days' written notice to the Remarketing Agent. No successor Remarketing Agent need be appointed for a removal to be effective. Any successor Remarketing Agent shall be selected by the Issuer with the consent of the [Credit] [Liquidity] Facility Issuer, such consent not to be unreasonably withheld or delayed, and shall be a member of the National Association of Securities Dealers, Inc., shall have a capitalization of at least fifteen million dollars (\$15,000,000), and shall be authorized by law to perform all the duties of the remarketing agent.

(c) Upon removal or resignation of the Remarketing Agent, the Issuer shall promptly cause the Tender Agent to give notice thereof by mail to all Bondowners and to any rating agency which has assigned a rating to the Bonds. The Remarketing Agent shall assign and deliver this Agreement to its successor.

12. Intention of Parties. It is the express intention of the parties hereto that no purchase, sale or transfer of any Bonds as herein provided shall constitute or be construed to be

the extinguishment of any Bond or the indebtedness evidenced thereby or the reissuance of any Bonds or the refunding of any indebtedness evidenced thereby.

13. Amendments. This Remarketing Agreement may not be amended, modified or supplemented except by writing signed by each of the parties hereto.

14. Survival. The representations, warranties and agreements of the Issuer set forth herein shall remain operative and in full force and effect regardless of (a) any investigation (or any statement as to the results thereof) made by or on behalf of the Remarketing Agent or the Issuer, (b) delivery of and any payment for any Bonds hereunder and (c) termination or cancellation of this Remarketing Agreement.

15. Notices. Unless otherwise provided herein, all notices, certificates, requests or other communication hereunder shall be deemed given when delivered in writing by hand or sent by facsimile transmission, tested telex or registered mail, postage prepaid, addressed as follows:

If to the Issuer:

Massachusetts Water Resources Authority
Charlestown Navy Yard
100 First Avenue
Boston, Massachusetts 02129
Attention: Chief Financial Officer
Facsimile: (617) 788-4892

If to the Tender Agent:

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Alison Nadeau
Facsimile: (617) 603-6664

If to the Remarketing Agent:

Each of the above parties may, by written notice given hereunder to the others, designate any further or different addresses to which, or means by which, subsequent notices, certificates, requests or other communications shall be sent.

16. Governing Law. This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of New York; provided that the obligations of the Issuer hereunder shall be governed by the laws of The Commonwealth of Massachusetts.

17. Counterparts. This Remarketing Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

18. Successors and Assigns. The obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other party hereto. This Remarketing Agreement will inure to the benefit of and be binding upon the Issuer and the Remarketing Agent and their respective successors and assigns, and will not confer any rights upon any other person, partnership, association or corporation other than persons, if any, controlling the Remarketing Agent within the meaning of the Securities Act, except to the extent provided in Section 9 hereof. The terms “successors” and “assigns” shall not include any purchaser or any of the Bonds merely because of such purchase.

19. Captions. Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

20. Severability. If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, or circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatever.

IN WITNESS WHEREOF, the parties hereto have caused this Remarketing Agreement to be duly executed and delivered as of the day and year first above written.

MASSACHUSETTS WATER
RESOURCES AUTHORITY

By: _____
Thomas J. Durkin
Treasurer

By: _____
Title: