Final Termsheet

ABACUS 2007-AC1, Ltd.
(Incorporated with limited liability in the Cayman Islands)

ABACUS 2007-AC1, Inc.
(Co-Issuer for the Class SS, Class JSS and Class A-1 Notes)

USD 2,000,000,000 Structured Product Synthetic Resecuritization

Referred to a Portfolio of RMBS Securities selected by ACA Management, L.L.C.

Note: The Class SS Notes, the Class JSS Notes, the Class A-1 Notes, the Class A-2 Notes (together with the Class A-1 Notes, the "Class A Notes"), the Class B Notes, the Class C Notes, the Class D Notes and the Class FL Notes (collectively, the "Notes") have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and are being sold (a) in the United States only to qualified institutional buyers ("QIBs") in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and who are also qualified purchasers as defined in the Investment Company Act of 1940, and (b) outside the United States to non-U.S. persons in reliance on Regulation S.

Tranche | Expected Ratings (Moody's/SP) | Initial Notional Amount (USD MM) | Initial Issued Amount (USD MM) | Initial Tranche Size | Initial Tranche Subordination | Interest Rate | Portfolio Selection Fee Rate | Approximate Issue Price | Expected WAL
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<td>[ ]</td>
<td>50.00%</td>
<td>50.00%</td>
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<td>[ ]</td>
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<td>USD 1m LIBOR + [ ]%</td>
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<td>[ ]</td>
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</table>

1 As a percentage of the Initial Reference Portfolio Notional Amount
2 Based upon the following notional amounts set forth in the "Notes - Summary" section of the Offering Circular
3 This issue shall be authorized to issue more than the Initial Notional Amount of each Class of Notes. The amount of Notes issued on the Closing Date may differ from the Initial Notional Amount. See "Additional Issuance" herein.
4 The JSS Notes may be offered in unfunded debt default swaps or unfunded barrier note format
5 Notes issued on the Closing Date

Transaction Overview

- ABACUS 2007-AC1 is a $2.0 billion notional synthetic CDO referencing a portfolio of midprime and subprime RMBS Securities.
- ACA Management, L.L.C. ("ACA") is the Portfolio Selection Agent.
- On the Closing Date and as of the date hereof, each Reference Obligation has an actual rating of Baa2 by Moody's.
- The Initial Reference Portfolio consists of 90 subprime and midprime RMBS Reference Obligations, each issued by distinct Reference Entities and each with an equal face amount of Initial Reference Obligation Notional Amount.
- The Portfolio Selection Agent has selected the Initial Reference Portfolio, following the Closing Date the Reference Portfolio is static, with no substitutions, discretionary removals, servicing or reinvestment. The Initial Reference Portfolio is displayed at the end of this Termsheet.
- The Portfolio Selection Agent currently manages 26 outstanding CDOs with underlying portfolios consisting of $17.5 billion of assets.
- Notes may be offered denominated in AUD, CAD, EUR, GBP, JPY or NZD as described herein.

1 Source: ACA as of May 31, 2007.

Capitalized terms used but not defined herein shall have the meanings set forth in the final Offering Circular, and such terms will be consistent with the current form of the Standard Terms Supplement for a Credit Derivative Transaction on Mortgage-Backed Security with Pay-As-You-Go or Physical Settlement (Form I) (Dealer Form) and Form of Confirmation.

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No securities are being offered by these summary materials. If the securities described herein or other securities are ultimately offered, they will be offered only pursuant to a definitive Offering Circular, and prospective investors who consider purchasing any such securities should make their investment decisions based only upon the information provided therein (including the "Risk Factors" section contained therein) and consultation with their own advisors. This material is for your private information and we are not soliciting any action based upon it. This material is not to be construed as an offer to sell or the solicitation of any offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. This material is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon at all. By accepting this material, the recipient agrees that it will not distribute or provide the material to any other person. The information contained in this material may not pertain to any securities that will actually be sold. The information contained in this material may be based on assumptions regarding market conditions and other matters as reflected therein. We make no representations regarding the reasonableness of such assumptions or the likelihood that any of such assumptions will coincide with actual market conditions or events, and this material should not be relied upon for such purposes. We and our affiliates, officers, directors, partners and employees, including persons involved in the preparation or issuance of this material, have time to time, have long or short positions in, and buy and sell, the securities and Reference Obligations mentioned herein or derivatives thereof (including options). Information contained in this material is current as of the date appearing on this material only. All information in this Termsheet will be superseded by the information contained in the final Offering Circular for any securities actually sold to you. Goldman Sachs does not provide accounting, tax or legal advice. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible legal, tax, or regulatory consequences of this indicative structure. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of any potential transaction or structure described herein that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transactions, and all aspects of any kind (including tax opinions and other tax analyses) relating to those benefits, without Goldman Sachs imposing limitation of any kind.
General Transaction Terms

Issuer: ABACUS 2007-AC1, Ltd., incorporated with limited liability in the Cayman Islands.

Co-Issuer: ABACUS 2007-AC1, Inc., a corporation organized under the laws of the State of Delaware.

Closing Date: April 26, 2007.

Portfolio Selection Agent: ACA Management, L.L.C. ("ACA").


Initial Purchaser: Goldman, Sachs & Co. ("GS"") (sole).

Protection Buyer: Goldman Sachs Capital Markets, L.P. ("GSCM").

Offering Type: Reg S (Non-U.S. Persons only), Rule 144A. Rule 144A purchasers must be qualified purchasers under the Investment Company Act of 1940.

Debt Minimum Denominations: $250,000 for each Class of Notes under Rule 144A and $100,000 for each Class of Notes under Reg S, in each case with increments of $1 thereof.

Listing, Clearing & Settlement: Application will be made to list the Notes on a stock exchange of the Issuer's choice, if practicable. There can be no assurance that such admission will be granted. The Notes will settle through Euroclear/Clearstream/DTC.

Notional Reinvestment Period: None. There will be no reinvestments in the Reference Portfolio after the Closing Date.

Non-Call Period: Approximately [__] years from the Closing Date, ending on the Payment Date in [__].

Legal Final Maturity: March 1, 2038 for Notes issued on the Closing Date.

Interest on the Notes: Accrued daily on the Outstanding Principal Amount of the Notes, payable in arrears on an actual/360 basis on the 28th of each month or the following Business Day commencing May 29, 2007. The initial LIBOR index on the Notes will be set 2 Business Days prior to the Closing Date.

ERISA Eligibility: The Class SS, Class JSS, and the Class A-1 Notes are expected to be ERISA eligible, assuming that the purchase is not a prohibited transaction the purchaser.

Tax Treatment: The Class SS, Class JSS, and Class A-1 Notes are expected to be treated as debt.

Reporting: Provided to Holders of the Notes by the Trustees on each Payment Date.

Governing Law: The Class SS, Class JSS and Class A-1 Notes are governed by, and construed in accordance with, the laws of the State of New York. The Class A-2, Class B, Class C, Class D and Class FL Notes are governed by, and construed in accordance with, the laws of the Cayman Islands.

The Portfolio Selection Agent

- ACA has $17.5 billion of assets across a wide spectrum of active investment disciplines under management, including mezzanine structured credit assets, high-grade structured credit assets, corporate CDs and leveraged loans.

- ACA is a nationally recognized specialty financial services company that assumes, manages and trades credit risk.

- ACA is publicly traded on the NYSE and its wholly owned financial guaranty insurance company is rated "A" by S&P.

- ACA currently manages 26 CDOs encompassing approximately $17.5 billion under management as of May 31, 2007.

- The 26 CDOs include mezzanine ABS, high-grade ABS, corporate CDs and leveraged loans.

- ACA has over 30 professionals dedicated to CDO credit and portfolio management.

- The Portfolio Selection Agent will earn a Portfolio Selection Fee for each Class of Notes on each Payment Date accrued at the per annum Portfolio Selection Fee Rate based on the outstanding principal balance of the Notes of the related Class.

1 Source: ACA as of the May 31, 2007.

No securities are being offered by these summary materials. If the securities described herein or other securities are ultimately offered, they will be offered only pursuant to a definitive Offering Circular, and prospective investors who consider purchasing any such securities should make their investment decisions based only upon the information provided therein (including the "Risk Factors" section contained therein) and consultation with their own advisors. This material is for your private information and we are not soliciting any action based upon it. This material is not to be construed as an offer to sell or the solicitation of any offer to purchase any security in any jurisdiction where such an offer or solicitation would be illegal. This material is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. By accepting this material, the recipient agrees that it will not distribute or provide the material to any other person. The information contained in this material may not pertain to any securities that will actually be sold. The information contained in this material may be based on assumptions regarding market conditions and other matters as reflected therein. We make no representations regarding the reasonableness of such assumptions or the likelihood that any of such assumptions will coincide with actual market conditions or events, and this material should not be relied upon for such purposes. We and our affiliates, officers, directors, partners and employees, including persons involved in the preparation or issuance of this material, may, from time to time, have large or short positions in, and buy and sell, the securities and Reference Obligations mentioned therein or derivatives thereof (including options). Information contained in this material is current as of the date appearing on this material only. All information in this Term Sheet will be superseded by the information contained in the final Offering Circular for any securities actually sold to you. Goldman Sachs does not provide accounting, tax or legal advice. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible legal, tax, or regulatory consequences of this indicative structure. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of any potential transaction or structure described herein that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transactions, and all aspects of any kind (including tax opinions and other tax analyses) relating to those benefits, without Goldman Sachs imposing limitation of any kind.
Initial Reference Portfolio Summary:

- The initial Reference Portfolio was selected by ACA in its capacity as Portfolio Selection Agent.
- The initial Reference Portfolio consists of 90 2006 and 2007 vintage subprime RMBS Securities.
- On the Closing Date and as of the date of this term sheet, each Reference Obligation has an actual rating of Baa2 by Moody's and an actual investment grade rating by S&P.
- Each Reference Obligation is equally weighted in the initial Reference Portfolio.
- The Reference Portfolio is static and will not be modified following the Closing Date.

No securities are being offered by these summary materials. If the securities described herein or other securities are ultimately offered, they will be offered only pursuant to a definitive Offering Circular, and prospective investors who consider purchasing any such securities should make their investment decisions based only upon the information provided herein (including the "Risk Factors" section contained therein) and consultation with their own advisers. This material is for your private information and we are not soliciting any action based upon it. This material is not to be construed as an offer to sell or the solicitation of any offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. This material is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. By accepting this material, the recipient agrees that it will not distribute or provide the material to any other person. The information contained in this material may not pertain to any securities that will actually be sold. The information contained in this material may be based on assumptions regarding market conditions and other matters as reflected therein. We make no representations regarding the reasonableness of such assumptions or the likelihood that any of such assumptions will coincide with actual market conditions or events, and this material should not be relied upon for such purposes. We and our affiliates, officers, directors, partners and employees, including persons involved in the preparation or issuance of this material, from time to time, have large or short positions in, and buy and sell, the securities and Reference Obligations mentioned therein or derivatives thereof (including options). Information contained in this material is current as of the date appearing on this material only. All information in this Term Sheet will be superseded by the information contained in the final Offering Circular for any securities actually sold to you. Goldman Sachs does not provide accounting, tax or legal advice. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible legal, tax, or regulatory consequences of this indicative structure. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of any potential transaction or structure described herein that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transactions, and all elements of any kind (including tax opinions and other tax analyses) relating to those benefits, without Goldman Sachs imposing limitation of any kind.

1 Represents the Initial Reference Portfolio as of the date of this Term Sheet. Goldman Sachs & Co. neither represents nor provides any assurance that the actual Reference Portfolio on the Closing Date or any future date will have the same characteristics as represented above. The Initial Reference Portfolio as of the date of this Term Sheet is disclosed at the end of this Term Sheet.

Confidential Treatment Requested by Goldman Sachs
Reference Portfolio Amortization and Principal Payments

Notional Principal Adjustment Amount and Unscaled Notional Principal Adjustment Amount:

All Notional Principal Amounts will be applied sequentially in order to reduce the Class Notional Amount of each Class of Notes. With respect to any Class of Notes and any Reference Obligation, the Payment Date immediately following the Due Date in which such Reference Obligation Amortization Amount is determined by the Credit Default Swap Calculation Agent on one or more Reference Obligations, the related Unscaled Notional Principal Adjustment Amount shall be equal to the lesser of (a) the Notional Principal Amount allocable on such date (b) the Class Notional Amount of all Classes that are senior to such Class and (c) the Class Notional Amount of such Classes of Notes immediately prior to such determination. The related Notional Principal Adjustment Amount shall be applied to the product of (a) the Unscaled Notional Principal Adjustment Amount and (b) the Note Scaling Factor.

A suitable face amount of Collateral will be liquidated to fund the amortization of the Notes, as described in the offering circular. The issuer will have the benefit of the Collateral Put Agreement to hedge the market risk associated with any such liquidation of Collateral Securities (other than Put Excluded Collaterals) in connection with the amortization of the Reference Portfolio.

Credit Events and Credit Event Adjustments

- Losses arising from each of the Credit Events below will be cash settled. Loss determination will be rule-based as summarized in the table below and described in more detail in the accompanying terms.
- The Protection Buyer will bear the mark-to-market risk associated with any liquidation of Collateral Securities pursuant to a Cash Settlement under the Credit Default Swap resulting from the determination of a Credit Event Adjustment Amount in connection with a Credit Event, as described in the Offering Circular.
- Any premium sale proceeds (exclusive of accrued interest) resulting from such Collateral liquidation shall be used to fund the purchase of a commensurate face amount of additional Collateral as described in the Offering Circular.
- The Protection Buyer will have the obligation to reimburse (with interest) the Issuer for any subsequent reversals of Credit Events which led to prior Credit Event Adjustment Amounts with respect to one or more Classes of Notes (which would otherwise be entitled to such principal and interest) so long as the Reference Obligation experiences a reversal remains in the Reference Portfolio at the time of such reversal. *ICE-related definitions in this Term Sheet are defined based on the assumption that Credit Events do not cause losses so long as the related Reference Obligation remains in the Reference Portfolio.

<table>
<thead>
<tr>
<th>Credit Event</th>
<th>Cash Settlement Mechanism</th>
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<tr>
<td>Failure to Pay Principal</td>
<td>Principal Shortfall Amount</td>
</tr>
<tr>
<td>Writedown</td>
<td>Partial Settlement of Writedown Par Amount</td>
</tr>
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</table>

"Failure to Pay Principal" means, with respect to any Reference Obligation, (i) a failure by the related Reference Entity (or any Insurer thereof) to pay the Expected Principal Amount on the applicable Reference Obligation or the applicable Legal Final Maturity Date, as the case may be or (ii) payment on any such day of an Actual Principal Amount that is less than the Expected Principal Amount of such Reference Obligation; (iii) the failure by such Reference Entity (or such Insurer) to pay any such amount in respect of principal in accordance with the terms of the underlying reference agreement shall not constitute a Failure to Pay Principal if such failure has been remedied within any grace period applicable to such payment obligation under the related Underlying Instruments or, if no such grace period is applicable, within three Business Days after the date on which such Expected Principal Amount was scheduled to be paid.

"Writedown" means, with respect to any Reference Obligation, the occurrence at any time or after the Closing Date of:

- The forgiveness of any amount of principal by the holders of such Reference Obligation pursuant to an amendment to the related Underlying Instruments resulting in a reduction in the Related Obligation Outstanding Principal Amount; or
- If the related Underlying Instruments do not provide for writedowns, applied losses, principal deficiencies or realized losses as described in subsection (i) above to occur in respect of such Reference Obligation, the Implied Writedown Amount being determined in respect of such Reference Obligation by the Calculation Agent.

Documentation:

- 2003 ISDA Credit Derivative Definitions (the "Definitions"), as supplemented by the May 2003 Supplement to the Definitions, and as modified as set forth in the Credit Default Swap Confirmation.

Obligations:

- Reference Obligation only.

Notifying Party:

- GSICM

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GS MBS-E-002507889
Conditions to Settlement:

Delivery to the Trustee by the Protection Buyer of a Credit Event Notice and Notice of Publicly Available Information (as defined in the Offering Circular).

Loss Amount:

On each Calculation Date, the Loss Amount will be determined by the Calculation Agent in accordance with the following procedure as the case may be:

1. Following a Writedown, the Loss Amount shall equal the related Writedown Amount.
2. Following a Failure to Pay Principal, the Loss Amount shall equal the related Principal Shortfall Amount.

The Reference Obligation shall not be removed from the Reference Portfolio following a Credit Event, and, following a Writedown, subsequent Credit Events (including subsequent Writedowns) are possible. However, see "Reinstatement Adjustment Amount and Unscaled Reinstatement Adjustment Amount" below. Subject to the foregoing, should the Reference Obligation Notional Amount of a Reference Obligation that has been subject to one or more Credit Events be reduced to zero and remain at zero for a period of one year, such Reference Obligation will be removed from the Reference Portfolio.

Credit Default Swap Calculation Date:

The Business Day on which the Protection Buyer satisfied the Conditions to Settlement.

Credit Default Swap Calculation Agent:

GS MBS

Cash Settlement Date:

Five (5) Business Days following the relevant Calculation Date.

Cash Settlement:

On the relevant Cash Settlement Date:

1. If there is a sufficient face amount of Eligible Investments to fund payment of the Credit Event Adjustment Amount, the Cash Settlement shall be funded by such Eligible Investments.
2. If the face amount of Eligible Investments is insufficient to fund the full Cash Settlement of the Credit Event Adjustment Amount, the Trustee shall instruct the Collateral Disposal Agent to attempt to sell a face amount of Collateral Securities (rounded down, if necessary) to reflect minimum denominations) equal to the excess of such Credit Event Adjustment Amount over the face amount of such Eligible Investments (such par amount, the "Collateral Securities Principal Amount"), for settlement on the relevant Cash Settlement Date.

The Collateral Disposal Agent shall select in its sole discretion the particular Collateral Securities to be liquidated in an aggregate face amount equal to the Collateral Securities Principal Amount (such Collateral Securities, the "Selected Collateral Securities"). The Collateral Disposal Agent shall be permitted to bid up to par (exclusive of accrued and unpaid interest) for the Selected Collateral Securities if a good-faith effort to procure a third-party bid of at least par is unsuccessful.

3. The proceeds of such sale (excluding any amount in respect of accrued interest up to but excluding the Calculation Date) will be held in Eligible Investments. Cash Settlement will be funded by Eligible Investments in an amount equal to the lesser of (a) the face amount of Eligible Investments and (b) the Credit Event Adjustment Amount. For the avoidance of doubt, any proceeds of such sale of Selected Collateral Securities shall remain at the Trustee as Eligible Investments.

Credit Event Adjustment Amount and Unscaled Credit Event Adjustment Amount:

With respect to any Class of Notes, on each Credit Default Swap Settlement Date, the related Unscaled Credit Event Adjustment Amount shall be equal to, if greater than zero, the lesser of (a)(i) the aggregate Loss Amount determined on the related Credit Default Swap Calculation Date less (ii) the Class Notional Amount of such Class plus (b) the Class Notional Amount of such Class immediately prior to such determination.

The related Credit Event Adjustment Amount shall be equal to the product of (a) the Unscaled Credit Event Adjustment Amount and (b) the Note Scaling Factor.

Reinstatement Adjustment Amount and Unscaled Reinstatement Adjustment Amount:

For any Class of Notes, if, after the occurrence of a Credit Event with respect to a Reference Obligation (for which a Loss Amount was calculated), the principal amount of the related Reference Obligation is reimbursed or reinstated by the related Reference Entity (or implicitly reinstated in the case of an implied Writedown Amount), and if the Reference Obligation belongs to the Reference Portfolio at such time, the related Unscaled Reinstatement Adjustment Amount shall be equal, if greater than zero, the lesser of (i) the related Reference Obligation Reimbursement Amount less the ICE Class Notional Amount Differentials for the Classes of Notes that are senior to such Class and (ii) the ICE Class Notional Amount Differential of such Class. The related Reinstatement Adjustment Amount, equal to the product of (a) the Unscaled Reinstatement Adjustment Amount and (b) the Note Scaling Factor, will be paid at the Protection Buyer to the Issuer. Such reimbursement made by the Protection Buyer to the Issuer shall also include interest (and interest thereon) otherwise payable to the reinstated Class or Classes of Notes which suffered a reduction in the Aggregate USD Equivalent Outstanding Amount due to Credit Events.

Class Notional Amount:

Initially, with respect to any Class of Notes, the Initial Notional Amount of such Class. Thereafter, for each Class of Notes, the related Class Notional Amount will be decreased by any related Unscaled Notional Principal Adjustment Amount and Unscaled Credit Event Adjustment Amount, and will be increased by any related Unscaled Reinstatement Adjustment Amounts determined on such date.

Aggregate USD Equivalent Outstanding Amount:

When used with respect to any or all of the Notes the aggregate principal amount of such Notes Outstanding on the date of determination: provided that, with respect to any Notes denominated in any Approved Currency other than Dollars, the Aggregate USD Equivalent Outstanding Amount of such Notes shall equal the USD Equivalent of the Currency Adjusted Aggregate Outstanding Amount of such Notes.

At any time of determination, with respect to any Series of Notes or any Class of Notes will equal the sum of the Aggregate USD Equivalent Outstanding Amount of all Notes related to such Series or such Class, as applicable.
Collateral and Related Hedging Agreements

- The Trustee shall hold in trust, for the benefit of the parties described in the Priority of Payments, (a) Eligible Investments and/or (b) Collateral Securities (collectively, the "Collateral") in conjunction with the Basis Swap and the Collateral Put Agreement (collectively, the "Hedging Agreements") as described below.
- The Issuer has entered into a Basis Swap with the Basis Swap Counterparty to hedge any interest basis mismatches between the Collateral and the Notes.
- The Issuer shall have the benefit of the Collateral Put Agreement to hedge market value exposure if Collateral (other than Put Excluded Collateral) need to be liquidated in connection with (i) the payment by the Issuer to the applicable Noteholders of any Currency Adjusted Notional Principal Adjustment Amount, (ii) a Partial Option Redemption or an Optional Redemption on the Notes and (iii) the Stated Maturity of the Notes. The Collateral Put Agreement will not be exercisable in conjunction with a Mandatory Redemption of the Notes, and investors may be exposed to the market value of Collateral upon such Mandatory Redemption.

Collateral Put Provider:
Goldman Sachs International ("GSI")

Basis Swap Counterparty:
GSJM

Collateral Disposal Agent:
GSCO

Collateral Securities:
Floating-rate Senior Structured Product Securities denominated in U.S. dollars, meeting the Required Collateral Ratings and selected by the Protection Buyer. A Collateral Security will consist of either (i) an ABS Credit Card Security, (ii) an ABS Automobile Security, (iii) a ABS Rental Car Receivables Security, (iv) a Residential Mortgage-Backed Security (other than an Excluded Specified Type), (v) a Commercial Mortgage-Backed Security (other than an Excluded Specified Type) or (vi) a CLO Security (other than an Excluded Specified Type).

None of the Collateral Securities may be issued by an entity which is a Reference Entity in respect of any Reference Obligations in the Reference Portfolio as of the date of purchase of such Collateral Security.

There shall be no discretionary credit impaired or credit improved trading of the Collateral Securities. The composition of the Collateral Securities shall change solely due to amortization, redemption and reinvestment. The Trustee shall hold payments of principal made in respect of the Collateral Securities in Eligible Investments pending selection of reinvestment Collateral Securities (if any) by the Protection Buyer.

Required Collateral Ratings:
Other than with respect to RMBIB Agency Securities, "AAA" by S&P and "Aaa" by Moody’s

Collateral Weighted Average Life Test:
A Collateral Security will be eligible for purchase by the Issuer if the Weighted Average Life of the Collateral is less than or equal to 7.0 years, with such maximum declining by approximately 0.25 years each year starting in April 2008; provided that such maximum shall not be reduced to less than 2.0 years.

Collateral Security Notional Constraint:
The Issuer shall not hold Collateral Securities issued by more than 15 obligors at any one time.

Basis Swap:
The Basis Swap Counterparty has entered into a Basis Swap with the Issuer to pay USD 1m LIBOR Fixed (or the Applicable Index with respect to Notes denominated in an Approved Currency other than Dollars) on the payment dates as the Notes and to periodically receive the sum of (a) accrued coupon payments due and payable on the Collateral Securities and (b) net proceeds in respect of accrued interest on Collateral sold or purchased for settlement during the accrual period of the Basis Swap.

Basis Swap Calculation Agent:
GSJM

Collateral Put Agreement:
The Collateral Put Provider has entered into a Collateral Put Agreement with the Issuer, pursuant to which the Trustee shall have the option but not the obligation to sell Collateral (other than Put Excluded Collateral) to the Collateral Put Provider at par (plus applicable amounts of accrued interest) under specified circumstances.

The Trustee shall exercise each Collateral Put Agreement only when:

1. The appropriate face amount of selected Collateral (as specified at the sole discretion of the Collateral Disposal Agent) is to be liquidated to fund either (a) the payment of any Currency Adjusted Notional Principal Adjustment Amount by the Issuer to the applicable Noteholders, (b) redemption of a Class of Notes in connection with a Partial Optional Redemption of such Class of Notes, (c) redemption of the Notes in connection with an Optional Redemption upon termination of the Credit Default Swap by the Protection Buyer or (d) the Stated Maturity of the Notes; and

2. The Collateral Disposal Agent is unable to procure a bid equal to or greater than par (exclusive of any amounts of accrued interest) for the full face amount of such selected Collateral.

The Collateral Put Agreement may not be exercised at any other time (including, for the avoidance of doubt, upon any Mandatory Redemption of the Notes).

Collateral Put Calculation Agent:
GSI

Initial Collateral Securities:
$192,000,000 Graywolf CLO I, Ltd. Class A Floating Rate Notes

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Other Structural Terms

Priority of Payments:
Principal Proceeds shall be applied in the following order of priority following a Mandatory Redemption:
1. to the extent not covered in full with Interest Proceeds, to the payment of Administrative Expenses, subject to the Administrative Expense Cap;
2. except where such Mandatory Redemption is caused by a default of the Basis Swap Counterparty, to the Basis Swap Counterparty, for sums owed to the Basis Swap Counterparty pursuant to the Basis Swap;
3. to the Collateral Put Provider for sums owed to the Collateral Put Provider pursuant to the Collateral Put Agreement;
4. except (i) where such Mandatory Redemption is caused by the Protection Buyer or (ii) in the case of a Collateral Default, to the Protection Buyer for sums owed to the Protection Buyer pursuant to the Credit Default Swap;
5. to the extent not covered in full with Interest Proceeds, to the payment of interest on the Notes;
6. in the case of a Collateral Default, to the Protection Buyer, for sums owed to the Protection Buyer pursuant to the Credit Default Swap;
7. to the Holders of the Notes, in sequential order of priority, for the repayment of the Currency Adjusted Aggregate Outstanding Amount;
8. if such Mandatory Redemption is caused by a default of the Basis Swap Counterparty, to the Basis Swap Counterparty, for sums owed to the Basis Swap Counterparty pursuant to the Basis Swap;
9. if such Mandatory Redemption is caused by a default of the Protection Buyer, to the Protection Buyer, for sums owed to the Protection Buyer pursuant to the Credit Default Swap;
10. to any other parties pro rata who may be owed any other sums by the issuer; and
11. any remaining amounts, to the Protection Buyer.

Note Scaling Factor:
On any date of determination, with respect to any Class of Notes, a fraction equal to (i) the Aggregate USD Equivalent Outstanding Amount of such Class of Notes on such date divided by (ii) the Class Notional Amount of such Class of Notes on such date.

Redemption Amount:
Each Series of Notes will be redeemed on the applicable Stated Maturity at the Currency Adjusted Aggregate Outstanding Amount of such Series of Notes as of such date. Each Series of Notes may be redeemed at zero prior to Stated Maturity if Credit Events reduce the ICE Class Notional Amount to zero.

Mandatory Redemption:
The Notes will be redeemed as per the Priority of Payments (which may expose the Holders of the Notes to the market value of the Collateral, notwithstanding the fact that no Credit Event may have occurred) following, amongst other events, a Collateral Default, a Basis Swap Early Termination, a Credit Default Swap Early Termination, a Collateral Put Agreement Early Termination or an Adverse Tax Event.

Adverse Tax Event:
Any imposition or change of taxes that would either (a) reduce monies received by the issuer on the Collateral, the Basis Swap or the Credit Default Swap or (b) require the issuer to withhold taxes on payments due on the Notes or pursuant to the Basis Swap, the Collateral Put Agreement or the Credit Default Swap.

Optional Redemption:
Each Series of Notes may be called in full (in case of an Optional Redemption of all the Notes) or in part (in case of a Partial Optional Redemption of any Notes) at par plus accrued interest at the end of the Non-Call Period, and on any Payment Date thereafter, at the sole option of the Protection Buyer, provided however, that if one or more Classes of Notes have been written down pursuant to one or more Credit Events, such Class or Classes of Notes may only be called if either (a) such Class is redeemed at the related ICE Aggregate USD Equivalent Outstanding Amount or (b) subject to the consent of 100% of the Holders of such Class of Notes.

Additional Issuance of Notes:
On any Payment Date, the Issuers may elect to issue an additional Series of Notes of any Class, subject to satisfaction of the S&P Rating Condition and the Moody's Rating Condition.

Additional Notes of a given Class issued may be denominated in different Approved Currencies, may have different Series Interest Rates, Non-Call Periods and/or Stated Maturities.

Approved Currencies:
Any of Australian Dollar (AUD), Canadian Dollar (CAD), US Dollar (USD), Euro (EUR), Pound Sterling (GBP), Japanese Yen (JPY) or New Zealand Dollars.

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### Initial Reference Portfolio

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### Footnotes
1. Represents the Initial Reference Portfolio as of the date of this Takedown (other than Base WAL ytd, which is as of the Closing Date). Goldman, Sachs & Co. neither represents nor provides any assurance that the actual Reference Portfolio on any future date will have the same characteristics as represented above.

2. Reference Obligations are designated as “Subprime” in this Takedown if the weighted average FICO score of the underlying collateral that secures such Reference Obligation is greater than 625. All other Reference Obligations are designated as “Prime” in this Takedown.

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8
### Initial Reference Portfolio (continued)  

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2 Reference Obligations are designated as "Midprime" in this Term Sheet if the weighted average FICO score of the underlying collateral that securities such Reference Obligation is greater than 625. All other Reference Obligations are designated as "Soprima" in this Term Sheet.

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