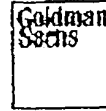


Goldman Sachs & Co., 105, Broad Street, New York, New York 10004 | Tel: +1 212 357 2610 | Fax: +1 212 426 9100



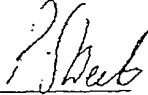
DATE: August 10, 2007
TO: AIG Financial Products Corp.
FROM: Goldman Sachs International
SUBJECT: Side Letter Agreement

Reference is made to the ISDA Master Agreement, dated as of 19 August 2003 (the "Master Agreement"), between AIG Financial Products Corp. ("AIG-FP") and Goldman Sachs International ("GSI") and the Transactions entered hereunder (including the Credit Support Annex, dated as of 19 August 2003, thereto). Undefined capitalized terms shall have their respective meanings set forth in the Master Agreement.

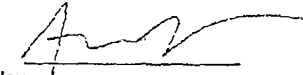
Notwithstanding the fact that AIG-FP and GSI have failed to agree on the Exposure in respect of certain the credit derivative Transactions identified in the schedule attached hereto, AIG-FP is delivering to GSI Eligible Credit Support in respect of such Transactions (in respect of which AIG-FP shall be the Transferor and GSI the transferee) on August 10, 2007 with a Value of USD 450,000,000. The Transfer of such Eligible Credit Support by AIG-FP and the acceptance of such Eligible Credit Support by GSI (i) shall not be construed as an agreement between the parties, or as an indication of any other sort, regarding the amount, or the undisputed amount, of the Exposure in respect of such Transactions and (ii) shall not constitute a waiver by either party of the rights or remedies available to such party under the Master Agreement, any Transaction Confirmation or the Credit Support Annex or applicable law, including, without limitation, the right to call for the delivery or return of Eligible Credit Support or the right to exercise the dispute resolution provisions available to the parties upon a failure to agree as joint Calculation Agents.

The failure of a party to make a daily written or oral demand for the delivery or return of Eligible Credit Support shall not be construed as a waiver of such right or an agreement that no amount is owed. Moreover, the failure of a party to dispute (whether orally or in writing) the other party's demand for the delivery or return of Eligible Credit Support shall not be construed as an agreement that it agrees with such demand or the Exposure calculation supporting such demand or otherwise be construed as a waiver of any right or remedy. GSI acknowledges that AIG-FP as co-Calculation Agent does not agree with GSI's Exposure calculation in respect of such credit derivative Transactions, and AIG-FP will be deemed to have disputed any demand for Eligible Credit Support and the Exposure Calculation supporting such demand made by GSI with respect to such Transactions until such time as AIG-FP expressly agrees otherwise in writing.

Yours sincerely,
GOLDMAN SACHS INTERNATIONAL

By: 
Name: Detrick Street
Title: Managing Director

Agreed and Accepted:
AIG FINANCIAL PRODUCTS CORP.

By: 
Name: ALAN FROST
Title: EXECUTIVE VICE PRESIDENT

To: Goldman Sachs Co P. 1/2

19173435282

Aug-10-2007 15:08 From: GOLDMAN SACHS

Schedule

GS Reference Number	CUSIP	Reference Obligation	Original Notional
NUUQ510L300800	02149WAA5	ALTUS II FUNDING I, LTD	1,277,900,000
BITUQ5111500800	112021AB6	BRODERICK I CDO LTD.	354,500,000
BUUQ51116008000000	112021AC4	BRODERICK I CDO LTD.	485,000,000
BITUQ51119008000000	112021AA8	BRODERICK I CDO LTD.	250,000
NUUQ40741008000000	264403AA3	DUKE FUNDING VII, LTD.	129,650,000
NUUQ4075U0870000000	264403AF2	DUKE FUNDING VII, LTD.	100,000
NUUQ4123N008000000	26545QAQ2	DUNHILL ABS CDO LTD	327,000,000
NUUQ4123Y008000000	26545QAA7	DUNHILL ABS CDO LTD	250,000
NUUQ5055C008000000	60410RAA4	FA SATURN VENTURES 2005-1, LTD	267,750,000
NUUQ409HR008000000	37638VAG8	GLACIER FUNDING CDO II, LTD.	324,800,000
NUUQ409IN008000000	37638VAA1	GLACIER FUNDING CDO II, LTD.	100,000
NUUQ5030K0080000	446279AA9	HUNTINGTON CDO, LTD.	406,500,000
NUUQ5030L008000000	446279AC5	HUNTINGTON CDO, LTD.	250,000
NUUQ402B1008000000	45343PA A3	INDEPENDENCE V CDO, LTD.	200,000,000
BUUQ5060J008000000	46426RAA7	ISCHUS CDO II LTD.	233,750,000
BITUQ5060K008000000	46426RAB5	ISCHUS CDO III LTD.	50,000,000
NUUQ507850080000	48206AAE3	JUPITER HIGH-GRADE CDO III, LTD	1,299,500,000
NUUQ507CL008000000	48206AAA6	JUPITER HIGH-GRADE CDO III, LTD	250,000
BUUQ5120L0080000	498588AC6	KLEROS PREFERRED FUNDING II, LLC	869,500,000
NUUQ512BM008000000	498588AA0	KLEROS PREFERRED FUNDING II, LLC	250,000
NUUQ509TU008000000	52902TAC0	LEXINGTON CAPITAL FUNDING, LTD.	199,500,000
NUUQ509TV008000000	52902TAE6	LEXINGTON CAPITAL FUNDING, LTD.	250,000
NUUQ4102J008000000	58936RAB9	MERCURY CDO 2004-I, LTD.	299,800,000
NUUQ4102Q008000000	58936RAA5	MERCURY CDO 2004-I, LTD.	100,000
NUUQ41UJL0080000AA0	G6177YAA0	MKP CDO III, LTD.	140,000,000
NUUQ5035B008000000	68571UAA7	ORCHID STRUCTURED FINANCE CDO II, LTD.	113,750,000
NUUQ510D1008000000	68619MAJ0	ORIENT POINT CDO, LTD.	250,000
NUUQ510DNC008000	68619MAQ4	ORIENT POINT CDO, LTD.	649,750,000
NUUQ510DP0080000	68619MAL5	ORIENT POINT CDO, LTD.	647,250,000
NUUQ409HS008000000	76112CAB4	RESERVOIR FUNDING LTD.	374,800,000
NUUQ4097T008000000	76112CAA6	RESERVOIR FUNDING LTD.	100,000
NUUQ4125H008000000	768277AA3	RIVER NORTH CDO LTD.	149,750,000
BITUQ5111400800	82437XAA6	SHERWOOD FUNDING CDO II, LTD.	322,250,000
NUUQ504GX008000000	83743YAS2	SOUTH COAST FUNDING VII LTD	773,500,000
NUUQ504GE0080000	83743YAB9	SOUTH COAST FUNDING VII LTD	250,000
NUUQ6013A008000000	83743LAC5	SOUTH COAST FUNDING VIII LTD	344,500,000
NUUQ6014M008000000	83743LAA9	SOUTH COAST FUNDING VIII LTD	250,000
SDB504492863	896008AB5	TRIAXX PRIME CDO 2006-2, LTD.	1,399,850,000
SDB504493409	896008AC3	TRIAXX PRIME CDO 2006-2, LTD.	1,399,850,000
SDB504678606	896008AC3	TRIAXX PRIME CDO 2006-2, LTD.	100,000,000
SDB504678635	896008AB5	TRIAXX PRIME CDO 2006-2, LTD.	100,000,000
SDB503565139	952186AA2	WEST COAST FUNDING I, LTD.	1,187,950,000
SDB503565516	952186AR0	WEST COAST FUNDING I, LTD.	1,187,850,000

To: Goldman Sachs Co P.2/2

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10-AUG-07 12:08 PM FROM GOLDMAN SACHS *** TOTAL PAGE.02 ***