363662

**Confirmation**

Date: November 30, 2001

To: La Salle Bank National Association, as Trustee

From: AIG Financial Products Corp.

Re: Remarketing Put Option - Class A-1MM-a Notes

The purpose of this communication is to set forth the terms and conditions of the remarketing put option transaction entered into on the Trade Date specified below (the "Transaction"), between AIG Financial Products Corp. ("AIG-FP") (guaranteed by American International Group, Inc.) and LaSalle Bank National Association, as Trustee (in such capacity, the "Trustee"). This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below.

1. This Confirmation is subject to and incorporates the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the "Definitions"). This Confirmation supplements, forms part of and is subject to the ISDA Master Agreement dated as of November 30, 2001 between AIG-FP and the Trustee that (i) incorporates the Definitions (whether directly or by means of this Confirmation) and (ii) sets forth general terms and conditions applicable to remarketing put option transactions between us (the " Master Agreement"). All provisions contained in, or incorporated by reference to, such Master Agreement shall govern this Confirmation except as expressly modified below. Any capitalized terms used but not defined herein, in the Master Agreement or the Definitions shall have the meanings assigned to them in the Trust Deed (the "Trust Deed") dated as of November 30, 2001 among Putnam Structured Product CDO 2001-1 Ltd. (the "Issuer"), Putnam Structured Product CDO 2001-1 LLC and the Trustee, including Schedule 8 thereto.

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

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| Trade Date: | November 27, 2001. |
| Effective Date: | November 30, 2001. |
| Termination Date: | The earlier of the Payment Date in February 2032 and the date on which the Notes are paid in full. |
| Option Type: | Put. |
| Seller: | AIG-FP. |
| Buyer: | Trustee. |

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| Notes: | Putnam Structured Product CDO 2001-1 Ltd. and Putnam Structured Product CDO 2001 LLC Class A-1MM-a Floating Rate Notes Due 2032. |
| Number of Options: | 56,000. |
| Note Entitlement: | $1,000 of initial outstanding amount of Notes per Option. |
| Partial Exercise: | Applicable. |
| Option Strike Price: | On any Remarketing Date, the outstanding principal amount of the Notes, plus accrued and unpaid interest, if any. |

Procedure for Exercise:

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| Exercise Period: | The Options may be exercised on the third Business Day prior to any Remarketing Date prior to the Termination Date as to which there has not been a Successful Remarketing, up until 6:00 p.m., New York time, whether or not such Options have been exercised in connection with a previous Remarketing Date; provided that it shall be a condition to the Buyer's right to exercise the Options that (a) no Event of Default (as defined in the Trust Deed) relating to (i) payment of interest on the Notes or principal of the Notes or (ii) bankruptcy or insolvency of the Issuer has occurred and is continuing on the Remarketing Date and (b) AIG-FP shall have received either a Remittance Report stating that sufficient funds for the payment of interest on the Notes on the Remarketing Date will be on deposit in the Payment Account or other evidence to such effect that is reasonably satisfactory to AIG-FP.<br><br>The Remarketing Dates shall occur on the Payment Date for the Notes in May of each year prior to the Termination Date; provided, however, that with at least 10 Business Days' written notice to the Remarketing Agent prior to the next upcoming Remarketing Date, AIG-FP may, at its discretion elect to change the Remarketing Period commencing on such Remarketing Date by directing the Remarketing Agent to remarket such Notes with respect to any subsequent Payment |

Date (provided the Issuer and the Collateral Manager have consented to such earlier remarketing) occurring within one year of such upcoming Remarketing Date.

Exercise Procedure:

The Remarketing Agent shall be required under the terms of the Remarketing Agreement and the Trust Deed to notify the Trustee and AIG-FP with respect to whether there has been a Successful Remarketing or not on or prior to the fifth Business Day prior to each Remarketing Date, and if there has been no Successful Remarketing, the amount of Notes, if any, which would be cleared at spreads equal to or below the spread equal to 0.30% per annum less the Remarketing Fee Rate (such spread, the "**Maximum Remarketing Spread**") by existing bids pursuant to the Remarketing Agreement and the spread and principal amount specified in all bids received. If the Trustee has not received a notice from the Remarketing Agent by the fifth Business Day prior to the Remarketing Date (or no Remarketing agreement (or similar agreement) is in place), the Trustee shall notify AIG-FP on or prior to the fourth Business Day prior to the Remarketing Date that it has not received such a notice (or that no Remarketing agreement (or similar agreement) is in place), and AIG-FP will be deemed to have elected the option described in clause (iii) of the next succeeding paragraph.

Upon receiving such a notice, if there has been no Successful Remarketing, AIG-FP shall on the fourth Business Day prior to the Remarketing Date provide return written notice to Issuer, the Collateral Manager, the Remarketing Agent and the Trustee electing one of the following three alternatives:

(i) AIG-FP may instruct the Trustee (with notice to the Remarketing Agent and the Collateral Manager) to apply funds from the Class A-1MM Reserve Account in the amounts specified in such notice to make payment to each bidders whose bid cleared (including bids with spreads greater than the Maximum Remarketing Spread), an amount on each Payment Date through the next Remarketing Date for such Notes equal to the product of (x) the excess of the highest spread contained in any cleared bid over the Maximum Remarketing

Spread, (y) the principal amount of Notes to be purchased by each such bidder and (z) the number of days in the related Interest Accrual Period divided by 360; provided, that the Class A-1MM Reserve Account has sufficient funds available for such payments (including to reserve funds for the portion of such payment to be made with respect to each subsequent Payment Date); provided, further, that the Remarketing Spread for the Notes will be the Maximum Remarketing Spread and will be paid by the Issuer pursuant to the Priority of Payments. In such case AIG-FP shall be deemed to have elected to purchase the remainder, if any, of the Notes not cleared after giving effect to such application of amounts on deposit in the Class A-1MM Reserve Account and the spread applicable to such Notes purchased by AIG-FP shall be the Maximum Remarketing Spread (without any payment to AIG-FP from the Class A-1MM Reserve Account as described above for bidders). AIG-FP shall be entitled to receive the Remarketing Fee (with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and, on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the lesser of (a) an amount equivalent to an additional 20 basis points per annum on the principal amount of the Notes so purchased by AIG-FP (calculated with reference to the number of days in the related Interest Accrual Period divided by 360) and (b) $25,000 (such lesser amount, the "**Remarketing Reserve Spread Premium**").

(ii) AIG-FP may notify Issuer, the Collateral Manager, the Remarketing Agent and the Trustee that AIG-FP has elected to purchase the remaining Notes not cleared by bids equal to or less than the Maximum Remarketing Spread and the Bid Spread Amount applicable to such Notes purchased by AIG-FP shall be the same Remarketing Spread as applicable to the Notes purchased by bidders (which shall be the highest bid equal to or less than the Maximum Remarketing Spread). In such case AIG-FP shall be entitled to receive the Put Takedown Premium and the Remarketing Fee

(with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP; or

(iii) AIG-FP may notify Issuer, the Collateral Manager, the Remarketing Agent and the Trustee that AIG-FP has elected to purchase the entire Option Entitlement for all of the Options and the spread shall be 0.50% per annum minus the Remarketing Fee Rate. In such case AIG-FP shall be entitled to the Remarketing Fee, in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP;

*provided,* in each case, that AIG-FP shall not be entitled to the Remarketing Reserve Spread Premium unless AIG-FP's ratings or AIG-FP's guarantor's ratings satisfy the levels specified in Section 3(d) below.

The Trustee at the direction of the Remarketing Agent (if there is a Remarketing Agent), on receiving such notice, shall confirm to AIG-FP the amount of the Option Strike Price for all of the Notes it has elected to purchase pursuant to clauses (i), (ii) or (iii) above in such notice (such Notes, the "**Put Notes**").

If on the third Business Day prior to the Remarketing Date any party other than AIG-FP has failed to deposit the purchase price for any of the Notes with the Trustee in accordance with the procedures specified in the Trust Deed, the Trustee shall deliver an irrevocable notice of exercise (which shall be telephonic notice) for such Notes (the "**Exercised Notes**") to AIG-FP (with a copy to the Remarketing Agent, the Issuer and the Collateral Manager) informing AIG-FP of the amount required to be paid by AIG-FP on the Settlement Date, and AIG-FP shall be required to purchase such Notes and the

spread applicable to such Notes shall be the Remarketing Spread. In such case AIG-FP shall be entitled to receive the Put Takedown Premium and the Remarketing Fee (with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP; *provided,* that AIG-FP shall not be entitled to the Remarketing Reserve Spread Premium unless AIG-FP's ratings or AIG-FP's guarantor's ratings satisfy the levels specified in Section 3(d) below. The Trustee will deliver to AIG-FP a written confirmation (which shall be by fax or e-mail) confirming the substance of a telephonic notice of exercise within one Business Day provided that failure to provide such written notice will not affect the validity of the telephonic notice.

Settlement Terms

Prior to any termination following a Termination Event described in Section 5(b)(i), Section 5 (b)(ii) or Part 1(j)(iii) of the Schedule, AIG-FP shall provide not less than ten (10) Business Days notice to the Holders of the Notes, the Trustee and the Remarketing Agent specifying (x) that the Notes will be remarketed and sold without the benefit of this Agreement, with a maturity of the Stated Maturity and at a Note Interest Rate of LIBOR plus 0.50% per annum for each Interest Accrual Period through the Stated Maturity and (y) the date (the "Termination Remarketing Date," which Termination Remarketing Date must be on or prior to the termination date of this Agreement) on which AIG-FP will deposit to the Class A-1MM Funding Account for the benefit of the Notes the difference between the price received from such sale and par plus accrued interest for all Notes on the date of such sale (the "Termination Make-Up Amount"); *provided* that, in AIG-FP's sole discretion in lieu of such a remarketing or after receipt of all of the bids provided in such remarketing, AIG-FP may purchase the Notes at par plus accrued interest on the date set forth in the notice, in accordance with the Trust Deed.

Settlement: Physical Settlement

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| Settlement Date: | The Business Day prior to the Remarketing Date immediately following the Exercise Date or, with respect to a Termination Remarketing Date, the Business Day prior to such Termination Remarketing Date. |
| Physical Settlement Terms: | AIG-FP shall deposit the Option Strike Price for the Put Notes into the Class A-1MM Funding Account with the Trustee as specified below on the Settlement Date, and on the Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) the Put Notes, through the Clearance System at the account specified below.<br><br>On the Settlement Date AIG-FP shall deposit the Option Strike Price for the Exercised Notes into the Class A-1MM Funding Account and on the Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) the Exercised Notes, through the Clearance System at the account specified below.<br><br>With respect to a Termination Remarketing Date, AIG-FP shall deposit par plus accrued interest for each Note it is purchasing on the Termination Remarketing Date, if any, plus any Termination Make-Up Amount, if any, into the Class A-1MM Funding Account on the Settlement Date and on such Termination Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) such Notes, if any, purchased by AIG-FP (or its designee) through the Clearance System at the account specified below.<br><br>If there is a Settlement Disruption Event that prevents settlement on a day that but for the Settlement Disruption Event would have been the Settlement Date, then the Settlement Date shall be the first succeeding day on which that settlement can take place through the Clearance System, unless a Settlement Disruption Event prevents settlement on each day that the Clearance System is (or, but for the Settlement Disruption Event, would have been) open for business during the period ending 30 calendar days after the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. If a |

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| | Settlement Date does not occur during such 30 calendar day period, the party required under this Transaction to deliver Exercised Notes shall use best efforts to deliver the Exercised Notes promptly thereafter in a commercially reasonable manner outside the Clearance System on a delivery versus payment basis. |
| Clearance System: | DTC. |
| Settlement Disruption Event: | An event beyond the control of the parties as a result of which the Clearance System cannot clear the transfer of the Notes). |
| Option Premium Fixed Amounts: | |
| Fixed Amount Payer: | Issuer (pursuant to the Fee Letter). |
| Fixed Amount Payer Payment Dates: | Each of the Payment Dates for the Notes immediately following each Remarketing Date on which some Notes were sold to parties other than AIG-FP up to and including the next Remarketing Date. |
| Notional Amount: | For any Calculation Period, the amount equal to the outstanding principal amount of Notes on the first day of such Calculation Period (after giving effect to any payments of principal by the Issuer on such day) minus the outstanding principal amount of Put Notes purchased by AIG-FP pursuant only to clause (iii) of the second paragraph of "Exercise Procedures" above. |
| Fixed Rate: | 0.20% (20 basis points) per annum. |
| Fixed Rate Day Count Fraction: | Actual/360. |
| Calculation Agent: | AIG-FP. |
| Business Days: | New York, Chicago, London and Dublin. |
| Governing Law: | New York law. |
| Documentation: | The Master Agreement. |
| Credit Support Documents: | As set forth in the Master Agreement. |
| Instructions for Payments to AIG-FP: | Bank of New York, New York<br>CHIPS ABA 001 |

ABA No. 021000018
SWIFT IRVT U53N
A/C AIG Financial Products Corp.
A/C #8900416084
UID 298453

AIG-FP Settlements:

Instructions for Payments to the Trustee: LaSalle Bank National Association
as Trustee
ABA No. #67-8903-21-2

A/C Putnam CDO – Class A-1MM Notes - Funding Account

3. Other Terms:

(a) Additional Representations and Agreement. AIG-FP represents and warrants that it is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act of 1933 as amended), and a Qualified Purchaser (for purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended).

(b) Capacity of LaSalle Bank National Association. LaSalle Bank National Association has entered into this Confirmation as Trustee for the benefit of the Notes and not in its individual capacity.

(c) Failure to Pay by Issuer. For the avoidance of doubt, notwithstanding anything to the contrary in the Master Agreement, no failure to pay any amount specified in this confirmation to be paid to the extent funds are available in the Class A-1MM Reserve Account therefor shall constitute an Event of Default under the Master Agreement if sufficient funds are not available in the Class A-1MM Reserve Account.

(d) Effect of Downgrade of AIG. Unless (i) the long-term unsecured senior debt obligations of American International Group, Inc. ("AIG") are rated at least "Aa3" by Moody's and at least "AA-" by S&P and (ii) the short-term senior unsecured obligations of AIG-FP are rated at least "P-1" by Moody's and at least "A-1+" by S&P and the short-term unsecured obligations of AIG are rated at least A-1 by S&P, AIG-FP agrees that it shall have no claim against the Class A-1MM Reserve Account, Issuer or any other party for the accrual or payment of the Remarketing Reserve Spread Premium.

(e) Termination of Remarketing Agreement; Performance by Remarketing Agent. Notwithstanding anything to the contrary in the Master Agreement, no termination of the Remarketing Agreement or the Remarketing Agent and no failure to have a Remarketing Agreement in effect and no action taken or not taken by the Remarketing Agent, including any failure of the Remarketing Agent to perform its obligations, shall operate to release AIG-FP from its obligations hereunder.

4. Please confirm that the preceding correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending a copy of the executed Confirmation to us.

Very truly yours
AIG Financial Products Corp.

By: _____
Name:
Title:

ALAN FROST
MANAGING DIRECTOR, NORTH AMERICA

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By: _____
Name:
Title:

4. Please confirm that the preceding correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending a copy of the executed Confirmation to us.

Very truly yours
AIG Financial Products Corp.

By: _____
Name:
Title: ALAN FROST
MANAGING DIRECTOR, NORTH AMERICA

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By: _____
Name:
Title:

4. Please confirm that the preceding correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending a copy of the executed Confirmation to us.

Very truly yours
AIG Financial Products Corp.

By:

Name:
Title:

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By:
Name: LORA J. PELOQUIN
Title: VICE PRESIDENT

**Confirmation**

Date: November 30, 2001

To: La Salle Bank National Association, as Trustee

From: AIG Financial Products Corp.

Re: Remarketing Put Option - Class A-1MM-b Notes

The purpose of this communication is to set forth the terms and conditions of the remarketing put option transaction entered into on the Trade Date specified below (the "Transaction"), between AIG Financial Products Corp. ("AIG-FP") (guaranteed by American International Group, Inc.) and LaSalle Bank National Association, as Trustee (in such capacity, the "Trustee"). This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below.

1. This Confirmation is subject to and incorporates the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the "Definitions"). This Confirmation supplements, forms part of and is subject to the ISDA Master Agreement dated as of November 30, 2001 between AIG-FP and the Trustee that (i) incorporates the Definitions (whether directly or by means of this Confirmation) and (ii) sets forth general terms and conditions applicable to remarketing put option transactions between us (the " Master Agreement"). All provisions contained in, or incorporated by reference to, such Master Agreement shall govern this Confirmation except as expressly modified below. Any capitalized terms used but not defined herein, in the Master Agreement or the Definitions shall have the meanings assigned to them in the Trust Deed (the "Trust Deed") dated as of November 30, 2001 among Putnam Structured Product CDO 2001-1 Ltd. (the "Issuer"), Putnam Structured Product CDO 2001-1 LLC and the Trustee, including Schedule 8 thereto.

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

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| Trade Date: | November 27, 2001. |
| Effective Date: | November 30, 2001. |
| Termination Date: | The earlier of the Payment Date in February 2032 and the date on which the Notes are paid in full. |
| Option Type: | Put. |
| Seller: | AIG-FP. |
| Buyer: | Trustee. |

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| Notes: | Putnam Structured Product CDO 2001-1 Ltd. and Putnam Structured Product CDO 2001 LLC Class A-1MM-b Floating Rate Notes Due 2032. |
| Number of Options: | 50,000. |
| Note Entitlement: | $1,000 of initial outstanding amount of Notes per Option. |
| Partial Exercise: | Applicable. |
| Option Strike Price: | On any Remarketing Date, the outstanding principal amount of the Notes, plus accrued and unpaid interest, if any. |

Procedure for Exercise:

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| Exercise Period: | The Options may be exercised on the third Business Day prior to any Remarketing Date prior to the Termination Date as to which there has not been a Successful Remarketing, up until 6:00 p.m., New York time, whether or not such Options have been exercised in connection with a previous Remarketing Date; provided that it shall be a condition to the Buyer's right to exercise the Options that (a) no Event of Default (as defined in the Trust Deed) relating to (i) payment of interest on the Notes or principal of the Notes or (ii) bankruptcy or insolvency of the Issuer has occurred and is continuing on the Remarketing Date and (b) AIG-FP shall have received either a Remittance Report stating that sufficient funds for the payment of interest on the Notes on the Remarketing Date will be on deposit in the Payment Account or other evidence to such effect that is reasonably satisfactory to AIG-FP.<br><br>The Remarketing Dates shall occur on the Payment Date for the Notes in May of each year prior to the Termination Date; provided, however, that with at least 10 Business Days' written notice to the Remarketing Agent prior to the next upcoming Remarketing Date, AIG-FP may, at its discretion elect to change the Remarketing Period commencing on such Remarketing Date by directing the Remarketing Agent to remarket such Notes with respect to any subsequent Payment |

Date (provided the Issuer and the Collateral Manager have consented to such earlier remarketing) occurring within one year of such upcoming Remarketing Date.

Exercise Procedure:

The Remarketing Agent shall be required under the terms of the Remarketing Agreement and the Trust Deed to notify the Trustee and AIG-FP with respect to whether there has been a Successful Remarketing or not on or prior to the fifth Business Day prior to each Remarketing Date, and if there has been no Successful Remarketing, the amount of Notes, if any, which would be cleared at spreads equal to or below the spread equal to 0.30% per annum less the Remarketing Fee Rate (such spread, the "**Maximum Remarketing Spread**") by existing bids pursuant to the Remarketing Agreement and the spread and principal amount specified in all bids received. If the Trustee has not received a notice from the Remarketing Agent by the fifth Business Day prior to the Remarketing Date (or no Remarketing agreement (or similar agreement) is in place), the Trustee shall notify AIG-FP on or prior to the fourth Business Day prior to the Remarketing Date that it has not received such a notice (or that no Remarketing agreement (or similar agreement) is in place), and AIG-FP will be deemed to have elected the option described in clause (iii) of the next succeeding paragraph.

Upon receiving such a notice, if there has been no Successful Remarketing, AIG-FP shall on the fourth Business Day prior to the Remarketing Date provide return written notice to Issuer, the Collateral Manager, the Remarketing Agent and the Trustee electing one of the following three alternatives:

(i) AIG-FP may instruct the Trustee (with notice to the Remarketing Agent and the Collateral Manager) to apply funds from the Class A-1MM Reserve Account in the amounts specified in such notice to make payment to each bidders whose bid cleared (including bids with spreads greater than the Maximum Remarketing Spread), an amount on each Payment Date through the next Remarketing Date for such Notes equal to the product of (x) the excess of the highest spread contained in any cleared bid over the Maximum Remarketing

Spread, (y) the principal amount of Notes to be purchased by each such bidder and (z) the number of days in the related Interest Accrual Period divided by 360; provided, that the Class A-1MM Reserve Account has sufficient funds available for such payments (including to reserve funds for the portion of such payment to be made with respect to each subsequent Payment Date); provided, further, that the Remarketing Spread for the Notes will be the Maximum Remarketing Spread and will be paid by the Issuer pursuant to the Priority of Payments. In such case AIG-FP shall be deemed to have elected to purchase the remainder, if any, of the Notes not cleared after giving effect to such application of amounts on deposit in the Class A-1MM Reserve Account and the spread applicable to such Notes purchased by AIG-FP shall be the Maximum Remarketing Spread (without any payment to AIG-FP from the Class A-1MM Reserve Account as described above for bidders). AIG-FP shall be entitled to receive the Remarketing Fee (with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and, on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the lesser of (a) an amount equivalent to an additional 20 basis points per annum on the principal amount of the Notes so purchased by AIG-FP (calculated with reference to the number of days in the related Interest Accrual Period divided by 360) and (b) $25,000 (such lesser amount, the **"Remarketing Reserve Spread Premium"**).

(ii) AIG-FP may notify Issuer, the Collateral Manager, the Remarketing Agent and the Trustee that AIG-FP has elected to purchase the remaining Notes not cleared by bids equal to or less than the Maximum Remarketing Spread and the Bid Spread Amount applicable to such Notes purchased by AIG-FP shall be the same Remarketing Spread as applicable to the Notes purchased by bidders (which shall be the highest bid equal to or less than the Maximum Remarketing Spread). In such case AIG-FP shall be entitled to receive the Put Takedown Premium and the Remarketing Fee

(with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP; or

(iii) AIG-FP may notify Issuer, the Collateral Manager, the Remarketing Agent and the Trustee that AIG-FP has elected to purchase the entire Option Entitlement for all of the Options and the spread shall be 0.50% per annum minus the Remarketing Fee Rate. In such case AIG-FP shall be entitled to the Remarketing Fee, in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP;

*provided,* in each case, that AIG-FP shall not be entitled to the Remarketing Reserve Spread Premium unless AIG-FP's ratings or AIG-FP's guarantor's ratings satisfy the levels specified in Section 3(d) below.

The Trustee at the direction of the Remarketing Agent (if there is a Remarketing Agent), on receiving such notice, shall confirm to AIG-FP the amount of the Option Strike Price for all of the Notes it has elected to purchase pursuant to clauses (i), (ii) or (iii) above in such notice (such Notes, the "**Put Notes**").

If on the third Business Day prior to the Remarketing Date any party other than AIG-FP has failed to deposit the purchase price for any of the Notes with the Trustee in accordance with the procedures specified in the Trust Deed, the Trustee shall deliver an irrevocable notice of exercise (which shall be telephonic notice) for such Notes (the "**Exercised Notes**") to AIG-FP (with a copy to the Remarketing Agent, the Issuer and the Collateral Manager) informing AIG-FP of the amount required to be paid by AIG-FP on the Settlement Date, and AIG-FP shall be required to purchase such Notes and the

spread applicable to such Notes shall be the Remarketing Spread. In such case AIG-FP shall be entitled to receive the Put Takedown Premium and the Remarketing Fee (with respect to Notes purchased by AIG-FP), in accordance with the Priority of Payments, and on each Payment Date for such Notes, to the extent available from the Class A-1MM Reserve Account, the Remarketing Reserve Spread Premium on the principal amount of the Notes purchased by AIG-FP; *provided,* that AIG-FP shall not be entitled to the Remarketing Reserve Spread Premium unless AIG-FP's ratings or AIG-FP's guarantor's ratings satisfy the levels specified in Section 3(d) below. The Trustee will deliver to AIG-FP a written confirmation (which shall be by fax or e-mail) confirming the substance of a telephonic notice of exercise within one Business Day provided that failure to provide such written notice will not affect the validity of the telephonic notice.

Settlement Terms

Prior to any termination following a Termination Event described in Section 5(b)(i), Section 5 (b)(ii) or Part 1(j)(iii) of the Schedule, AIG-FP shall provide not less than ten (10) Business Days notice to the Holders of the Notes, the Trustee and the Remarketing Agent specifying (x) that the Notes will be remarketed and sold without the benefit of this Agreement, with a maturity of the Stated Maturity and at a Note Interest Rate of LIBOR plus 0.50% per annum for each Interest Accrual Period through the Stated Maturity and (y) the date (the "Termination Remarketing Date," which Termination Remarketing Date must be on or prior to the termination date of this Agreement) on which AIG-FP will deposit to the Class A-1MM Funding Account for the benefit of the Notes the difference between the price received from such sale and par plus accrued interest for all Notes on the date of such sale (the "Termination Make-Up Amount"); *provided* that, in AIG-FP's sole discretion in lieu of such a remarketing or after receipt of all of the bids provided in such remarketing, AIG-FP may purchase the Notes at par plus accrued interest on the date set forth in the notice, in accordance with the Trust Deed.

Settlement: Physical Settlement

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| Settlement Date: | The Business Day prior to the Remarketing Date immediately following the Exercise Date or, with respect to a Termination Remarketing Date, the Business Day prior to such Termination Remarketing Date. |
| Physical Settlement Terms: | AIG-FP shall deposit the Option Strike Price for the Put Notes into the Class A-1MM Funding Account with the Trustee as specified below on the Settlement Date, and on the Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) the Put Notes, through the Clearance System at the account specified below.<br><br>On the Settlement Date AIG-FP shall deposit the Option Strike Price for the Exercised Notes into the Class A-1MM Funding Account and on the Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) the Exercised Notes, through the Clearance System at the account specified below.<br><br>With respect to a Termination Remarketing Date, AIG-FP shall deposit par plus accrued interest for each Note it is purchasing on the Termination Remarketing Date, if any, plus any Termination Make-Up Amount, if any, into the Class A-1MM Funding Account on the Settlement Date and on such Termination Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) such Notes, if any, purchased by AIG-FP (or its designee) through the Clearance System at the account specified below.<br><br>If there is a Settlement Disruption Event that prevents settlement on a day that but for the Settlement Disruption Event would have been the Settlement Date, then the Settlement Date shall be the first succeeding day on which that settlement can take place through the Clearance System, unless a Settlement Disruption Event prevents settlement on each day that the Clearance System is (or, but for the Settlement Disruption Event, would have been) open for business during the period ending 30 calendar days after the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. If a |

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| | Settlement Date does not occur during such 30 calendar day period, the party required under this Transaction to deliver Exercised Notes shall use best efforts to deliver the Exercised Notes promptly thereafter in a commercially reasonable manner outside the Clearance System on a delivery versus payment basis. |
| Clearance System: | DTC. |
| Settlement Disruption Event: | An event beyond the control of the parties as a result of which the Clearance System cannot clear the transfer of the Notes). |
| Option Premium Fixed Amounts: | |
| Fixed Amount Payer: | Issuer (pursuant to the Fee Letter). |
| Fixed Amount Payer Payment Dates: | Each of the Payment Dates for the Notes immediately following each Remarketing Date on which some Notes were sold to parties other than AIG-FP up to and including the next Remarketing Date. |
| Notional Amount: | For any Calculation Period, the amount equal to the outstanding principal amount of Notes on the first day of such Calculation Period (after giving effect to any payments of principal by the Issuer on such day) minus the outstanding principal amount of Put Notes purchased by AIG-FP pursuant only to clause (iii) of the second paragraph of "Exercise Procedures" above. |
| Fixed Rate: | 0.20% (20 basis points) per annum. |
| Fixed Rate Day Count Fraction: | Actual/360. |
| Calculation Agent: | AIG-FP. |
| Business Days: | New York, Chicago, London and Dublin. |
| Governing Law: | New York law. |
| Documentation: | The Master Agreement. |
| Credit Support Documents: | As set forth in the Master Agreement. |
| Instructions for Payments to AIG-FP: | Bank of New York, New York<br>CHIPS ABA 001 |

ABA No. 021000018
SWIFT IRVT U53N
A/C AIG Financial Products Corp.
A/C #8900416084
UID 298453

AIG-FP Settlements:

Instructions for Payments to the Trustee: LaSalle Bank National Association
as Trustee
ABA No. 67-8903-21-2

A/C Putnam CDO – Class A-1MM Notes - Funding Account

3. Other Terms:

(a) Additional Representations and Agreement. AIG-FP represents and warrants that it is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act of 1933 as amended), and a Qualified Purchaser (for purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended).

(b) Capacity of LaSalle Bank National Association. LaSalle Bank National Association has entered into this Confirmation as Trustee for the benefit of the Notes and not in its individual capacity.

(c) Failure to Pay by Issuer. For the avoidance of doubt, notwithstanding anything to the contrary in the Master Agreement, no failure to pay any amount specified in this confirmation to be paid to the extent funds are available in the Class A-1MM Reserve Account therefor shall constitute an Event of Default under the Master Agreement if sufficient funds are not available in the Class A-1MM Reserve Account.

(d) Effect of Downgrade of AIG. Unless (i) the long-term unsecured senior debt obligations of American International Group, Inc. ("AIG") are rated at least "Aa3" by Moody's and at least "AA-" by S&P and (ii) the short-term senior unsecured obligations of AIG-FP are rated at least "P-1" by Moody's and at least "A-1+" by S&P and the short-term unsecured obligations of AIG are rated at least A-1 by S&P, AIG-FP agrees that it shall have no claim against the Class A-1MM Reserve Account, Issuer or any other party for the accrual or payment of the Remarketing Reserve Spread Premium.

(e) Termination of Remarketing Agreement; Performance by Remarketing Agent. Notwithstanding anything to the contrary in the Master Agreement, no termination of the Remarketing Agreement or the Remarketing Agent and no failure to have a Remarketing Agreement in effect and no action taken or not taken by the Remarketing Agent, including any failure of the Remarketing Agent to perform its obligations, shall operate to release AIG-FP from its obligations hereunder.

4. Please confirm that the preceding correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending a copy of the executed Confirmation to us.

Very truly yours
AIG Financial Products Corp.

By: _____
Name:
Title: ALAN FROST
MANAGING DIRECTOR, NORTH AMERICA

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By: _____
Name:
Title:

4. Please confirm that the preceding correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending a copy of the executed Confirmation to us.

Very truly yours
AIG Financial Products Corp.

By:

Name:
Title:

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By:
Name: LORA J. PELOQUIN
Title: VICE PRESIDENT