615400

**EXECUTION COPY**

DATE: January 19, 2005

TO: Goldman Sachs International

FROM: AIG Financial Products Corp.

SUBJECT: Credit Derivative Transaction; Class A-1 Notes

REF. NUMBER: NUUQ4125H0

The purpose of this letter agreement is to confirm the terms and conditions of the Credit Derivative Transaction entered into on the Trade Date specified below (the "Transaction") between AIG Financial Products Corp. ("AIG-FP") and Goldman Sachs International ("Counterparty"). The time at which this Transaction was entered into is available on request. If you have any questions regarding this Transaction please contact Jake Sun, Counsel, AIG Financial Products Corp. This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

This Confirmation is subject to and incorporates the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to such Definitions (as so supplemented, the "Credit Derivatives Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA").

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of August 19, 2003 (including the Schedule and Credit Support Annex thereto), as amended and supplemented from time to time (the "Agreement"), between you and us. Capitalized terms used but not defined in this Confirmation or in the Agreement have the meanings ascribed to them in the Indenture.

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

1. **General Terms:**

| | |
|---|---|
| Trade Date: | January 19, 2005. |
| Effective Date: | January 19, 2005 |
| Scheduled Termination Date: | (i) February 6, 2040, or (ii) the date on which the Notional Amount has amortized to zero due to repayments of principal on the Reference Obligation, subject, in each case, to the Following Business Day Convention. For the avoidance of doubt, no termination payments shall be due by either party in connection with a termination of this Transaction pursuant to the preceding sentence or the Optional Termination Date. |

| | |
|---|---|
| Floating Rate Payer: | AIG-FP (the "Seller"). |
| Fixed Rate Payer: | Counterparty (the "Buyer"). |
| Calculation Agent: | Buyer and Seller, acting jointly. |
| Calculation Agent City: | New York. |
| Business Day(s): | New York, London and the city in which the Corporate Trust Office (as defined in the Indenture) is located; provided that (i) for the purpose of determining the Physical Settlement Date, such date must also be a Business Day in any jurisdiction on which financial institutions must be open in order to effect Settlement of the Deliverable Obligation being Delivered and (ii) for the purpose of determining Fixed Rate Payer Payment Dates for each Transaction, Business Days shall be New York only. As of the Effective Date, the Corporate Trust Office is located in Santa Ana, California. |
| Business Day Convention: | Following (which, subject to Section 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation, that falls on a day that is not a Business Day). |
| Reference Entity: | River North CDO, Ltd. |
| Reference Obligation: | Primary Obligor: River North CDO, Ltd.<br>Class: Class A-1 Notes<br>Maturity: February 6, 2040<br>Coupon: LIBOR (as defined in the Indenture) + 0.33%.<br>CUSIP/ISIN: 768277AA3<br>US768277AA30<br><br>Original Issue Amount: USD 193,500,000 |
| Reference Price: | 100% plus accrued interest (expressed as a percentage) |
| All Guarantees: | Not Applicable. |
| Notional Amount: | On any date, the product of (i) 149,750,000/193,500,000 and (ii) the aggregate unpaid principal amount of the Reference Obligation outstanding on such date, after giving effect to any prepayments by the Reference Entity in respect of the Reference Obligation on and prior to such date. For the avoidance of doubt, on the Effective Date the Notional Amount is equal to USD 149,750,000. |

2. **Fixed Payments:**

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| Fixed Rate Payer Calculation Amount: | The average of the Notional Amounts outstanding on each day during the related Fixed Rate Payer Calculation Period. |
| Fixed Rate Payer Payment Date: | The 6th day of each February, May, August and November of each year, commencing on May 6, 2005 up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention. |
| Fixed Rate: | 0.11% |
| Fixed Rate Day Count Fraction: | Actual/360 |

3. **Structuring Fee; Additional Payments:**

Upon the termination of the Transaction for any reason, whether on or prior to the Scheduled Termination Date Counterparty shall pay to AIG-FP a single structuring fee for the Transaction (the "Structuring Fee") equal to the positive difference if any between (i) $449,250 (the "Minimum Structuring Fee") and (ii) the sum of all amounts paid to AIG-FP as Fixed Payments pursuant to Section 2 of the Transaction. The parties agree that the Structuring Fee shall be treated as Unpaid Amounts.

4. **Floating Payments:**

| | |
|---|---|
| Floating Rate Payer Calculation Amount: | As of the Physical Settlement Date, an amount equal to the Notional Amount, on such date. |
| Conditions to Settlement: | Credit Event Notice<br>Notifying Party: Buyer or Seller<br><br>Notice of Physical Settlement<br><br>Notice of Publicly Available Information: Applicable, except as hereinafter provided.<br><br>Public Source(s): As per Section 3.7 of the Credit Derivatives Definitions<br><br>Specified Number: Two<br><br>Notwithstanding anything herein to the contrary, a Trustee Report relating to the Reference Obligation |

delivered to Seller shall constitute satisfactory notice of the occurrence of a Credit Event. Accordingly, delivery of such a report shall obviate any and all requirements hereunder relating to Publicly Available Information.

Credit Events:

The following Credit Event shall apply to each Transaction:

Failure to Pay; provided, that the occurrence of such a Failure to Pay shall be determined without regard to the effect of any provisions in the Reference Obligation that permit the limitation of due payments or distributions of funds in accordance with the terms of such Reference Obligation or, that provide for the extinguishing or reduction of such payments or distributions.

Grace Period Extension: Not Applicable

Payment Requirement: USD 10,000.

Obligation:

| | |
|---|---|
| Obligation Category: | Reference Obligation only. |
| Obligation Characteristics: | Not Applicable. |
| Excluded Obligations: | Not Applicable. |

5. **Settlement Terms**:

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| Settlement Method: | Physical Settlement |
| Settlement Currency: | USD. |
| Physical Settlement Period: | As per Section 8.6 of the Credit Derivatives Definitions, provided that such period shall not exceed 30 Business Days. |
| Deliverable Obligations: | Include Accrued Interest |
| Deliverable Obligation Category: | Reference Obligations only. |
| Deliverable Obligation Characteristics: | Not Applicable. |
| Excluded Deliverable Obligations: | Not Applicable. |

Amended RO Provisions:

Subject to the last sentence of paragraph (B) under "Optional Termination Date" herein, for purposes hereof, an Amended Reference Obligation will not constitute a Deliverable Obligation under this Transaction, unless (i) holders of at least an amount of Reference Obligations equal to the Notional Amount exercised the action or inaction in a manner consistent with the preference of Seller as notified to Buyer with respect to the required consent, agreement, vote or approval and (ii) Buyer has provided Seller reasonably acceptable evidence in respect thereof. The Seller's failure to provide to Buyer notice of its preference to a proposed action or inaction which may result in a Material Change (as defined in Amended Reference Obligation below) within 5 Business Days of notice by Buyer to Seller of such proposed action or inaction shall render this paragraph void for purposes of such action or inaction and any Amended Reference Obligation resulting from such action or inaction would also constitute a Deliverable Obligation; provided that such notice by Buyer to Seller is deemed effective on any date which is prior to the later of (A) the date which is 6 Business Days prior to the last date available to a holder of the Reference Obligation for exercise of the action or inaction under the terms of the Reference Obligation and (B) one Business Day after the date on which holders of the Reference Obligation received notice of such proposed action or inaction under the terms of the Reference Obligation. For the avoidance of doubt, each notice hereunder will be deemed effective pursuant to Section 12(a) of the Agreement.

"Amended Reference Obligation" shall mean the Reference Obligation following any amendment, or modification of, variation to, or waiver or consent under, the Reference Obligation with the required consent, agreement, vote or approval of the Buyer or its transferee(s) of all or any portion of the Notional Amount of the Reference Obligation (each, a "Reference Holder") which (a) changes the Stated Maturity of the principal of or the due date of any installment of interest on any Class A-1 Note, reduces the principal amount thereof or the rate of interest or commitment fee thereon, or the redemption price with respect thereto, changes the earliest date on which the Issuer may redeem any Class A-1 Note, changes the provisions of the Indenture relating to the application of proceeds of any Collateral to the payment of principal of or interest or commitment fee on the Class A-1 Notes, changes any place where, or the coin or currency in which, any Class A-1 Note or the principal thereof or interest or commitment fee thereon is payable, or impairs the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the applicable redemption date), (b) reduces the percentage in aggregate outstanding principal amount of holders of Class A-1 Notes whose consent is required for the authorization of any supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or their consequences, (c) impairs or adversely affects the Collateral pledged under the Indenture except as otherwise permitted thereby, (d) permits the creation of any lien ranking prior to or on a parity with the lien created by the Indenture with respect to any part of the Collateral or terminates such lien on any property at any time subject thereto or deprives the holder of any Class A-1 Note of the security afforded by the lien created by the Indenture, (e) reduces the percentage of the aggregate outstanding principal amount of holders of Class A-1 Notes whose consent is required to request that the Trustee preserve the Collateral pledged under the Indenture or rescind the Trustee's election to preserve the Collateral or to sell or liquidate the Collateral pursuant to the

Indenture, (f) modifies any of the provisions of the Indenture with respect to supplemental indentures requiring the consent of Class A-1 Noteholders except to increase the percentage of outstanding Class A-1 Notes whose holders' consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Class A-1 Note affected thereby, (g) modifies the definition of the term "Outstanding" or the subordination provisions of the Indenture, (h) changes the permitted minimum denominations of any Class A-1 Notes or (i) modifies any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal of any Class A-1 Note or the right of the holders of Class A-1 Notes to the benefit of any provisions for the redemption of such Class A-1 Notes contained therein (each a "Material Change"), in each case, to the extent such amendment, modification, variation, waiver or consent is approved or otherwise caused to be effected in contravention of the preference of Seller as notified to Buyer.

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| Partial Cash Settlement of Consent Required Loans: | Not Applicable. |
| Partial Cash Settlement of Assignable Loans: | Not Applicable. |
| Partial Cash Settlement of Participations: | Not Applicable. |
| Escrow: | Not Applicable. |

**6. Collateral Terms:**

Notwithstanding anything to the contrary in the Credit Support Annex, the definition of "Exposure" for purposes of the Credit Support Annex solely in respect of this Transaction shall be determined in accordance with the following formula:

Exposure = OPB * Max [0, [100% – MV] – T]

Where:

OPB = the outstanding principal balance of the Reference Obligation on the relevant Valuation Date (as defined in the Credit Support Annex).

MV = the market value of the Reference Obligation on the relevant Valuation Date (expressed as a percentage of par) as determined by the Calculation Agent; provided that if the parties acting as joint Calculation Agent cannot agree on the market value, market value will be determined based on the average of mid-market quotations from five dealers chosen by the Calculation Agent disregarding the highest and lowest quotations.

T = the "Threshold Amount Percentage", as set forth in the table below based on the Seller Rating on the relevant Valuation Date.

| | Seller Rating[1] | | | | |
|---|---|---|---|---|---|
| | Aaa/AAA[2] | Aa1/AA+ | Aa2/AA | Aa3/AA- | A1/A+ or below |
| Threshold Amount Percentage | 6% | 4% | 4% | 4% | 0% |

1. The lower of the S&P Rating and the Moody's Rating.
2. The ratings category of Moody's and S&P, respectively.

"Moody's Rating": with respect to Seller, the rating then assigned by Moody's to the long-term unsecured and unsubordinated debt obligations of the Credit Support Provider of Seller.

"S&P Rating": with respect to Seller, the rating then assigned by S&P to the long-term unsecured and unsubordinated debt obligations of the Credit Support Provider of Seller.

7. **Notice and Account Details:**

Contact Details for Notices:

Address: AIG Financial Products Corp.
50 Danbury Road
Wilton, CT 06897-4444

Attention: Chief Financial Officer
(with a copy to the General Counsel
at the above address)

Facsimile No.: (203) 222-4780 Telephone No.: (203) 222-4700

Counterparty: Goldman Sachs International
Peterborough Court, 133 Fleet Street
London EC4 2BB
Attention: Credit Derivative Operations
Telephone No.: 212-357-2610
Fax No.: 212-428-9189

with a copy to:

Goldman Sachs & Co.
Legal Dept. (Credit Derivatives)
One New York Plaza
New York, NY 10004
Fax No.: 212-428-3697

(All correspondence to include the GS Reference Number specified on the first page of this Confirmation)

Account Details:

| | |
|---|---|
| AIG-FP: | The Bank of New York, New York<br>CHIPS ABA 001<br>ABA#: 021000018<br>SWIFT IRVTUS3N<br>A/C: AIG Financial Products<br>A/C #: 8900416084<br>UID 298453 |
| Counterparty: | Goldman Sachs International<br>Name of Bank: Citibank, N.A. New York<br>Account No:40616408<br>Fed ABA No.021000089 |
| AIGFP Settlements: | Carmine Paradiso/Joanne Dulka<br>Wilton, Connecticut<br>Tel: 203-221-4805<br>Fax: 203-222-4780 |
| Counterparty Settlements: | Inquiries regarding payments and/or rate resetting only:<br><br>Goldman Sachs International<br>Peterborough Court, 133 Fleet Street<br>London EC4 2BB<br>Attention: Credit Derivative Operations<br>Telephone No.: 212-357-2610<br>Fax No.: 212-428-9189 |

8. **Additional Provisions:**

| | |
|---|---|
| Governing Law: | New York. |
| Termination Currency: | USD |
| Documentation: | The Agreement. |
| Credit Support Documents: | The Guarantee of the Credit Support Provider of AIG-FP. |
| Additional Representations: | Each of the parties hereto represents and warrants to the other that (i) it is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary, (ii) it is not relying on any communication (written or oral) of the other party as investment advice |

or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction, (iii) no communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction, (iv) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of the Transaction and it is also capable of assuming, and assumes, the risks of this Transaction, and (v) the other party is not acting as a fiduciary for, or an adviser to, it in respect of this Transaction.

Seller acknowledges and agrees that (i) Buyer does not make or will not make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information provided by Buyer to Seller hereunder with respect to the Reference Obligation and in any further information, notice or other document relating to the Reference Obligation which may at any time be supplied in connection with this Transaction and accepts no responsibility or liability therefor and (ii) any and all information provided by Buyer to Seller hereunder with respect to the Reference Obligation is not being furnished by Buyer in the capacity of an underwriter or dealer of the Reference Obligation and Buyer accepts no responsibility or liability therefor.

Optional Termination Date: The earlier to occur of (A) or (B):

(A) Any date falling on or after the occurrence of an Adverse RO Event and irrevocably designated by Seller to Buyer by not less than 10 Business Days' prior written notice (which may be by facsimile) as an Optional Termination Date. On or after an Optional Termination Date designated pursuant to this clause (A), Seller and Buyer shall have no further payment or delivery obligations in respect of this Transaction (under Section 6(e) of the Agreement or otherwise other than in respect of the Makewhole Amount payable by Seller to Buyer.

(B) Any date which is (i) after the date on which an Amended Reference Obligation no longer constitutes a Deliverable Obligation pursuant to the

Amended RO Provisions set forth in Deliverable Obligations above (such date, an "Amended RO Date"), and (ii) prior to the date which is 15 Business Days after such Amended RO Date and (iii) irrevocably designated by Seller to Buyer by not less than 2 Business Days' prior written notice (which may be by facsimile) as an Optional Termination Date. On or after an Optional Termination Date designated pursuant to this clause (B), Seller and Buyer shall have no further payment or delivery obligations in respect of this Transaction (under Section 6(e) of the Agreement or otherwise). To the extent the Seller has the right to designate an Optional Termination Date pursuant to this clause (B) but does not exercise such right prior to the date which is 15 Business Days after the relevant Amended RO Date, the Amended Reference Obligation related to such Amended RO Date shall no longer be deemed to be an Amended Reference Obligation and shall thereon constitute a Reference Obligation which is a Deliverable Obligation.

"Adverse RO Event" means that notwithstanding Reference Holders exercising the action or inaction in a manner consistent with the preferences of Seller as notified to Buyer with respect to any required consent, agreement, vote or approval of the Reference Holder (such action or inaction as agreed by Seller, the "Seller Response"), the action or inaction actually taken by the Trustee (as defined in the Offering Circular with respect to the Reference Obligation) acting pursuant to the terms of the indenture thereof is inconsistent with the Seller Response.

Makewhole Amount:

On the Optional Termination Date, Seller shall pay to Buyer an amount (the "Makewhole Amount") equal to the sum of the Reference Obligation Payment and the Present Value Payment.

"Reference Obligation Payment" means an amount (which may be a positive or negative number) equal to the Notional Amount minus the market value of Reference Obligations having a principal amount equal to the Notional Amount, as reasonably determined by the Buyer; to the extent Seller disputes Buyer's determination then such market value will be determined by Buyer using the highest firm bid price procured by Buyer through an auction of three dealers of the Reference Obligation or two dealers if three are not available. If only one dealer is available, the firm bid price of such dealer shall be used. If no dealer is

available, the market value of the Reference Obligations shall be deemed to be zero.

"Present Value Payment" means an amount equal to the present value, reasonably determined by Buyer as of the Optional Termination Date, of 22 basis points payable on the Notional Amount on each Fixed Rate Payer Payment Date (the "Calculation Amount") occurring after the Optional Termination Date (for the avoidance of doubt, assuming the Termination Date would occur on the Payment Date in February, 2013), such Notional Amount for the purpose of such calculation equal to (x) the applicable amortization percentage for such Optional Termination Date set forth in the amortization schedule attached as Annex A multiplied by (y) the outstanding principal amount of the Reference Obligations, and discounting each such Calculation Amount from the corresponding Fixed Rate Payer Payment Date to the Optional Termination Date at a rate equal to LIBOR plus zero spread.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Transactions by signing in the space provided below and returning a copy of the executed Confirmation to us by facsimile transmission on 203-222-4780, Attention: Carmine Paradiso or Joanne Dulka; telephone: 203-221-4805.

It has been a pleasure working with you on this Transaction, and we look forward to working with you again in the future.

Yours sincerely,
AIG FINANCIAL PRODUCTS CORP.

By: _____
Name: Alan Frost
Title: Managing Director

Agreed and Accepted:
GOLDMAN SACHS INTERNATIONAL

By: _____
Name:
Title:

[River North CDS Confirmation]

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Transactions by signing in the space provided below and returning a copy of the executed Confirmation to us by facsimile transmission on 203-222-4780, Attention: Carmine Paradiso or Joanne Dulka; telephone: 203-221-4805.

It has been a pleasure working with you on this Transaction, and we look forward to working with you again in the future.

Yours sincerely,
AIG FINANCIAL PRODUCTS CORP.

By:_____
Name:
Title:

Agreed and Accepted:
GOLDMAN SACHS INTERNATIONAL

By:_____
Name:
Title:

[River North CDS Confirmation]

## Annex A

| Period End | Applicable Amortization Percentage |
|---|---|
| January 19, 2005 | 100.00% |
| May 6, 2005 | 100.00% |
| August 6, 2005 | 100.00% |
| November 6, 2005 | 100.00% |
| February 6, 2006 | 100.00% |
| May 6, 2006 | 100.00% |
| August 6, 2006 | 100.00% |
| November 6, 2006 | 100.00% |
| February 6, 2007 | 100.00% |
| May 6, 2007 | 100.00% |
| August 6, 2007 | 100.00% |
| November 6, 2007 | 100.00% |
| February 6, 2008 | 100.00% |
| May 6, 2008 | 100.00% |
| August 6, 2008 | 100.00% |
| November 6, 2008 | 100.00% |
| February 6, 2009 | 100.00% |
| May 6, 2009 | 95.2% |
| August 6, 2009 | 90.7% |
| November 6, 2009 | 86.4% |
| February 6, 2010 | 82.4% |
| May 6, 2010 | 78.8% |
| August 6, 2010 | 75.1% |
| November 6, 2010 | 71.5% |
| February 6, 2011 | 68.2% |
| May 6, 2011 | 64.7% |
| August 6, 2011 | 56.8% |
| November 6, 2011 | 54.5% |
| February 6, 2012 | 52.4% |
| May 6, 2012 | 50.3% |
| August 6, 2012 | 47.2% |
| November 6, 2012 | 36.1% |
| February 6, 2013 and thereafter | 0.0% |