**EXECUTION COPY**

586780

DATE: October 12, 2004

TO: Goldman Sachs International

FROM: AIG Financial Products Corp.

SUBJECT: Credit Derivative Transaction; Class A-1-NV Notes

REF. NUMBER: NUUQ409HR

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" and together with the Credit Derivative Transaction entered into on October 12, 2004 with respect to the Class A-1-V Notes, the "Transactions") 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: | October 12, 2004. |
| Effective Date: | October 12, 2004 |
| Scheduled Termination Date: | (i) November 12, 2042, 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 Houston, Texas. |
| 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: | Glacier Funding CDO II, Ltd. |
| Reference Obligation: | Primary Obligor: Glacier Funding CDO II, Ltd.<br>Class: Class A-1-NV Notes<br>Maturity: November 12, 2042<br>Coupon: LIBOR (as defined in the Indenture) + 0.33%.<br>CUSIP/ISIN: 37638VAG8/ USG3902EAD79<br>Original Issue Amount: USD 324,900,000 |
| Reference Price: | 100% plus accrued interest (expressed as a percentage) |
| All Guarantees: | Not Applicable. |
| Notional Amount: | On any date, the product of (i) 324,800/324,900 and (ii) the aggregate unpaid principal amount of the Reference Obligation outstanding on such date, after giving effect to any advances made by the holders of the Reference Obligation on and prior to such date and after giving effect to any prepayments by the Reference Entity in respect of the Reference Obligation on and prior to such date; provided, that, the Notional Amount shall not |

exceed USD 324,800,000 (minus any payment of principal) unless agreed in writing by AIG-FP. For the avoidance of doubt, on the Effective Date the Notional Amount is equal to USD 324,800,000.

2. **Fixed Payments:**

| | |
|---|---|
| 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 12th day of each February, May, August and November in each year during the Term hereof, commencing in February 2005 up to and including the Termination Date. |
| Fixed Rate: | 0.11% |
| Fixed Rate Day Count Fraction: | Actual/360 |

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

Upon the termination of both Transactions for any reason, whether on or prior to the Scheduled Termination Date Counterparty shall pay to AIG-FP a single structuring fee for both Transactions (the "Structuring Fee") equal to the positive difference if any between (i) $974,700 (the "Minimum Structuring Fee") and (ii) the sum of all amounts paid to AIG-FP as Fixed Payments pursuant to Section 2 of both Transactions. 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 |

Specified Number: Two

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:**

| | |
|---|---|
| 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-1NV 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-1NV 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-1NV Notes, changes any place where, or the coin or currency in which, any Class A-1NV 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-1NV 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-1NV 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-1NV 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-1NV Noteholders except to increase the percentage of outstanding Class A-1NV 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-1NV 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-1NV 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-1NV Note or the right of the holders of Class A-1NV Notes to the benefit of any provisions for the redemption of such Class A-1NV 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. Notwithstanding the foregoing, the Reference Obligation shall also be deemed to be an Amended Reference Obligation hereunder in the event the "Reference Obligation" under the Transaction with Reference Number NUUQ409IN between Seller and Buyer (the "Related Transaction") is deemed to be an "Amended Reference Obligation" pursuant to the terms of such Related Transaction.

| | |
|---|---|
| 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:**

For purposes of calculating the Credit Support Amount under the Credit Support Annex only, Exposure of Buyer to Seller with respect to this Transaction shall mean the greater of zero and the Market Related Amount.

As used herein: "Market Related Amount" means the (i) the product of (x) the Notional Amount and (y) Ratings Factor (as defined below), minus (ii) the Market Value of the Reference Obligation with a principal amount equal to the Notional Amount.

"Ratings Factor" means (a) 0.97 so long as (i)(A) the long-term senior unsecured debt rating of Seller's Credit Support Provider is "AAA" by Standard & Poor's Ratings Services ("S&P"), and (B) the long-term senior unsecured debt rating of Seller's Credit Support Provider is "Aaa" by Moody's Investors Service, Inc. ("Moody's"), and (iii)(A) the Reference Obligation is rated "AAA" by S&P and (B) the Reference Obligation is rated "Aaa" by Moody's, and (b) otherwise, 1.00.

"Market Value of the Reference Obligation" equals the market value of the Reference Obligation as determined by the Calculation Agent as of the date of such calculation; 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.

7. **Notice and Account Details:**

Contact Details for Notices:

| | | |
|---|---|---|
| Address: | AIG Financial Products Corp.<br>50 Danbury Road<br>Wilton, CT 06897-4444 | |
| Attention: | Chief Financial Officer<br>(with a copy to the General Counsel<br>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 24 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 Quarterly Distribution Date in November 2012), 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:
Title:

Kathleen M. Furlong
Vice President, Chief Financial Officer
and Treasurer

Agreed and Accepted:
GOLDMAN SACHS INTERNATIONAL

By:_____
Name:
Title:

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:

**Annex A**

| Period End | Applicable Amortization Percentage |
|---|---|
| 10/12/04 | 100.00% |
| 2/12/05 | 99.38% |
| 5/12/05 | 98.67% |
| 8/12/05 | 98.14% |
| 11/12/05 | 97.09% |
| 2/12/06 | 96.03% |
| 5/12/06 | 94.98% |
| 8/12/06 | 92.05% |
| 11/12/06 | 90.03% |
| 2/12/07 | 87.82% |
| 5/12/07 | 84.16% |
| 8/12/07 | 81.13% |
| 11/12/07 | 77.42% |
| 2/12/08 | 72.58% |
| 5/12/08 | 68.02% |
| 8/12/08 | 63.25% |
| 11/12/08 | 57.86% |
| 2/12/09 | 53.05% |
| 5/12/09 | 48.53% |
| 8/12/09 | 43.80% |
| 11/12/09 | 39.56% |
| 2/12/10 | 35.78% |
| 5/12/10 | 32.17% |
| 8/12/10 | 28.74% |
| 11/12/10 | 21.57% |
| 2/12/11 | 18.47% |
| 5/12/11 | 15.13% |
| 8/12/11 | 11.91% |
| 11/12/11 | 4.82% |
| 2/12/12 | 0.00% |

**EXECUTION COPY**

DATE: October 12, 2004

TO: Goldman Sachs International

FROM: AIG Financial Products Corp.

SUBJECT: Credit Derivative Transaction: Class A-1-V Notes

REF. NUMBER: NUUQ409IN

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" and together with the Credit Derivative Transaction entered into on October 12, 2004 with respect to the Class A-1-NV Notes, the "Transactions") 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: | October 12, 2004. |
| Effective Date: | October 12, 2004 |
| Scheduled Termination Date: | (i) November 12, 2042, 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 Houston, Texas. |
| 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: | Glacier Funding CDO II, Ltd. |
| Reference Obligation: | Primary Obligor: Glacier Funding CDO II, Ltd.<br>Class: Class A-1-V Notes<br>Maturity: November 12, 2042<br>Coupon: LIBOR (as defined in the Indenture) + 0.33%.<br>CUSIP/ISIN: 37638VAA1/ USG3902EAA31<br><br>Original Issue Amount: USD 100,000 |
| Reference Price: | 100% plus accrued interest (expressed as a percentage) |
| All Guarantees: | Not Applicable. |
| Notional Amount: | On any date, the aggregate unpaid principal amount of the Reference Obligation outstanding on such date; provided, that, the Notional Amount shall not exceed USD 100,000 (minus any payment of principal) unless agreed in writing by AIG-FP. For the avoidance of doubt, on the Effective Date the Notional Amount is |

equal to USD 100,000.

2. **Fixed Payments:**

| | |
|---|---|
| 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 12th day of each February, May, August and November in each year during the Term hereof, commencing in February 2005 up to and including the Termination Date. |
| Fixed Rate: | 0.11% |
| Fixed Rate Day Count Fraction: | Actual/360 |

3. **Structuring Fee; Additional Payments:** Upon the termination of both Transactions for any reason, whether on or prior to the Scheduled Termination Date Counterparty shall pay to AIG-FP a single structuring fee for both Transactions (the "Structuring Fee") equal to the positive difference if any between (i) $974,700 (the "Minimum Structuring Fee") and (ii) the sum of all amounts paid to AIG-FP as Fixed Payments pursuant to Section 2 of both Transactions. 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 |

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**:

| | |
|---|---|
| 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 agreement or disagreement to a proposed action or inaction 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 holders of the Reference Obligation, 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.

| | |
|---|---|
| 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:**

For purposes of calculating the Credit Support Amount under the Credit Support Annex only,

Exposure of Buyer to Seller with respect to this Transaction shall mean the greater of zero and the Market Related Amount.

As used herein:

"Market Related Amount" means (i) the product of (x) the Notional Amount and (y) Ratings Factor (as defined below), minus (ii) the Market Value of the Reference Obligation with a principal amount equal to the Notional Amount.

"Ratings Factor" means (a) 0.97 so long as (i) the long-term senior unsecured debt rating of Seller's Credit Support Provider is "AAA" by Standard & Poor's Ratings Services ("S&P"), and (ii) the long-term senior unsecured debt rating of Seller's Credit Support Provider is "Aaa" by Moody's Investors Service, Inc. ("Moody's"), and (ii) (A) the Reference Obligation is rated "AAA" by S&P and (B) the Reference Obligation is rated "Aaa" by Moody's, and (b) otherwise, 1.00.

"Market Value of the Reference Obligation" equals the market value of the Reference Obligation as determined by the Calculation Agent as of the date of such calculation; 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.

7. **Notice and Account Details:**

Contact Details for Notices:

| | | |
|---|---|---|
| Address: | AIG Financial Products Corp.<br>50 Danbury Road<br>Wilton, CT 06897-4444 | |
| Attention: | Chief Financial Officer<br>(with a copy to the General Counsel<br>at the above address) | |
| Facsimile No.: | (203) 222-4780 | Telephone No.: (203) 222-4700 |

| | |
|---|---|
| Counterparty: | 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<br><br>with a copy to:<br><br>Goldman Sachs & Co.<br>Legal Dept. (Credit Derivatives)<br>One New York Plaza<br>New York, NY 10004<br>Fax No.: 212-428-3697<br><br>(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 holders of at least an amount of Reference Obligations equal to the Notional Amount exercising the action or inaction in a manner consistent with the preference of Seller as notified to Buyer with respect to any required consent, agreement, vote or approval of the holder of the Reference Obligation (such notice from Seller with respect to such action or inaction, 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 24 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 Quarterly Distribution Date in November 2012, 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:
Title: Kathleen M. Furlong
Vice President, Chief Financial Officer and Treasurer

Agreed and Accepted:
GOLDMAN SACHS INTERNATIONAL

By: _____
Name:
Title:

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:

## Annex A

| Period End | Applicable Amortization Percentage |
|---|---|
| 10/12/04 | 100.00% |
| 2/12/05 | 99.38% |
| 5/12/05 | 98.67% |
| 8/12/05 | 98.14% |
| 11/12/05 | 97.09% |
| 2/12/06 | 96.03% |
| 5/12/06 | 94.98% |
| 8/12/06 | 92.05% |
| 11/12/06 | 90.03% |
| 2/12/07 | 87.82% |
| 5/12/07 | 84.16% |
| 8/12/07 | 81.13% |
| 11/12/07 | 77.42% |
| 2/12/08 | 72.58% |
| 5/12/08 | 68.02% |
| 8/12/08 | 63.25% |
| 11/12/08 | 57.86% |
| 2/12/09 | 53.05% |
| 5/12/09 | 48.53% |
| 8/12/09 | 43.80% |
| 11/12/09 | 39.56% |
| 2/12/10 | 35.78% |
| 5/12/10 | 32.17% |
| 8/12/10 | 28.74% |
| 11/12/10 | 21.57% |
| 2/12/11 | 18.47% |
| 5/12/11 | 15.13% |
| 8/12/11 | 11.91% |
| 11/12/11 | 4.82% |
| 2/12/12 | 0.00% |

**October 12, 2004**

**Glacier Funding CDO II, Ltd.,**

**as Issuer**

**Glacier Funding CDO II, Inc.,**

**as Co-Issuer**

**JPMorgan Chase Bank,**

**as Trustee**

---

# INDENTURE

---

**THIS INDENTURE** dated as of October 12, 2004 is made

**AMONG**

(1) GLACIER FUNDING CDO II, LTD., an exempted company incorporated and existing under the laws of the Cayman Islands (the ***Issuer***);

(2) GLACIER FUNDING CDO II, INC., a corporation incorporated and existing under the laws of the State of Delaware (the ***Co-Issuer***, and together with the Issuer, the ***Co-Issuers***); and

(3) JPMORGAN CHASE BANK, a banking corporation organized under the laws of the State of New York, as trustee (herein, together with its permitted successors in the trusts hereunder, called the ***Trustee***).

## PRELIMINARY STATEMENT

The Co-Issuers are duly authorized to execute and deliver this Indenture to provide for the issuance of the Notes as provided in this Indenture. All covenants and agreements made by the Co-Issuers herein are for the benefit and security of the Noteholders, the Hedge Counterparties, the Synthetic Security Counterparties, the Collateral Manager and the Trustee (collectively, the ***Secured Parties***), **provided** that only a Synthetic Security Counterparty for which there has been established a Synthetic Security Counterparty Account or a Synthetic Security Issuer Account shall be a Secured Party hereunder. The Co-Issuers are entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

All things necessary to make this Indenture a valid agreement of the Co-Issuers in accordance with its terms have been done.

## GRANTING CLAUSES

The Issuer hereby Grants to the Trustee, for the benefit and security of the Secured Parties, all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, all accounts, general intangibles, chattel paper, instruments, securities, investment property and any and all other property (other than Excepted Property) of any type or nature owned by it, including (a) the Custodial Account, the Collateral Debt Securities (listed, as of the Closing Date, in the Schedule of Collateral Debt Securities) which the Issuer causes to be delivered to the Trustee (directly or through a Securities Intermediary) herewith, all Collateral Debt Securities and Equity Securities which are delivered to the Trustee (directly or through a Securities Intermediary) after the Closing Date pursuant to the terms hereof and all payments thereon or with respect thereto, (b) the Interest Collection Account, the Uninvested Proceeds Account, the Principal Collection Account, the Payment Account, the Expense Account, the Interest Reserve Account, the Semi-Annual Interest Reserve Account, each Hedge Counterparty Collateral Account, each Synthetic Security Counterparty Account (subject to the prior rights of the related Synthetic Security Counterparty), each Synthetic

Security Issuer Account (subject to the prior rights of the applicable Synthetic Security Counterparty), all funds and other property standing to the credit of each such account, Eligible Investments purchased with funds standing to the credit of each such account and all income from the investment of funds therein, (c) the Hedge Agreements, (d) the Collateral Management Agreement, the Collateral Administration Agreement, the Administrative Agency Agreement and the Administration Agreement (e) all Cash delivered to the Trustee (directly or through a Securities Intermediary) and (f) all proceeds, accessions, profits, income benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Issuer described in the preceding clauses (collectively, the ***Collateral***), **provided** that the rights of each Synthetic Security Counterparty as a Secured Party shall be limited to its rights in respect of any Synthetic Security Counterparty Account or Synthetic Security Issuer Account established with respect to such Synthetic Security Counterparty pursuant to Section 10.2(j) or Section 10.2(k) hereunder. Such Grants are made, however, to the Trustee to hold in trust, to secure the Notes equally and ratably without prejudice, priority or distinction between any Note and any other Note by reason of difference in time of issuance or otherwise, except as expressly provided in this Indenture, and to secure (i) the payment of all amounts due on the Notes and under each Hedge Agreement in accordance with their respective terms, (ii) the payment of all other sums payable under this Indenture (including the Senior Management Fee, the Subordinate Management Fee and the Collateral Management Fee Makewhole and otherwise by reference to any other agreement, including the Collateral Management Agreement), (iii) compliance with the provisions of this Indenture and each Hedge Agreement and (iv) in the case of a Synthetic Security Counterparty Account or a Synthetic Security Issuer Account, the payment to the related Synthetic Security Counterparty of amounts due under the related Synthetic Security, all as provided in this Indenture (collectively, the ***Secured Obligations***).

Except to the extent otherwise provided in this Indenture, the Issuer does hereby constitute and irrevocably appoint the Trustee the true and lawful attorney of the Issuer, with full power (in the name of the Issuer or otherwise), to exercise all rights of the Issuer with respect to the Collateral held for the benefit and security of the Secured Parties and to ask, require, demand, receive, settle, compromise, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of any of the Collateral held for the benefit and security of the Secured Parties, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable in the premises. The power of attorney granted pursuant to this Indenture and all authority hereby conferred are granted and conferred solely to protect the Trustee's interest in the Collateral held for the benefit and security of the Secured Parties and shall not impose any duty upon the Trustee to exercise any power. This power of attorney shall be irrevocable as one coupled with an interest prior to the payment in full of all the obligations secured hereby.

Except to the extent otherwise provided in this Indenture, this Indenture shall constitute a security agreement under the laws of the State of New York applicable to agreements made and to be performed therein. Upon the occurrence of any Event of Default with respect to the Notes, and in addition to any other rights available under this Indenture or any other instruments included in the Collateral held for the benefit and security of the Secured Parties or otherwise available at law or in equity, the Trustee shall have all rights and remedies of a secured party on default under the laws of the State of New York and other applicable law to enforce the assignments and security interests contained herein and, in addition, shall have the right, subject

***Cash*** means such funds denominated with currency of the United States of America as at the time shall be legal tender for payment of all public and private debts, including funds credited to a deposit account or a Securities Account.

***CDO Securities*** has the meaning specified in Schedule K.

***CDO Obligation*** means an Asset-Backed Security issued by an entity formed for the purpose of holding or investing and reinvesting primarily in a pool of asset-backed securities (including collateralized debt obligations) subject to specified investment and management criteria.

***Certificated Security*** has the meaning specified in Section 8-102(a)(4) of the UCC.

***Certificate of Authentication*** has the meaning specified in Section 2.3(f).

***Change of Control*** has the meaning specified in the Collateral Management Agreement.

***Class*** means, with respect to the Notes, each of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes.

***Class A/B Coverage Tests*** will consist of the Class A/B Overcollateralization Test and the Class A/B Interest Coverage Test.

***Class A/B Interest Coverage Ratio*** means the Interest Coverage Ratio with respect to the Class A-1 Notes, the Class A-2 Notes and the Class B Notes.

***Class A/B Interest Coverage Test*** means, for so long as any Class A Notes or Class B Notes remain outstanding, a test satisfied on any Measurement Date occurring on or after the Ramp-Up Completion Date if the Class A/B Interest Coverage Ratio as of such Measurement Date is equal to or greater than (a) on the Closing Date and thereafter to and including the first Quarterly Distribution Date, 103%, (b) thereafter to and including the second Quarterly Distribution Date, 105% and (c) thereafter, 110%.

***Class A/B Overcollateralization Ratio*** is, as of any Measurement Date, the number (expressed as a percentage) calculated by dividing (a) the Net Outstanding Portfolio Collateral Balance on such Measurement Date by (b) the sum of (i) the Aggregate Outstanding Amount of the Class A-1 Notes plus (ii) the Aggregate Outstanding Amount of the Class A-2 Notes plus (iii) the Aggregate Outstanding Amount of the Class B Notes.

***Class A/B Overcollateralization Test*** will be satisfied on any Measurement Date if the Class A/B Overcollateralization Ratio on such Measurement Date is equal to or greater than 103.25%.

***Class A-1 Notes*** means the Class A-1V Notes and the Class A-1NV Notes.

***Class A-1NV Notes*** means the Class A-1NV First Priority Senior Secured Non-Voting Floating Rate Notes due November 2042 issued by the Co-Issuers on the Closing Date in respect of which Holders are entitled to receive interest at a floating rate per annum equal to LIBOR plus 0.33%.

***Class A-1V Notes*** means the Class A-1V First Priority Senior Secured Voting Floating Rate Notes due November 2042 issued by the Co-Issuers on the Closing Date in respect of which Holders are entitled to receive interest at a floating rate per annum equal to LIBOR plus 0.33%.

***Code*** means the U.S. Internal Revenue Code of 1986, as amended.

***Co-Issued Notes*** means the Class A-1 Notes, the Class A-2 Notes and the Class B Notes.

***Co-Issuer*** means Glacier Funding CDO II, Inc., a corporation organized under the law of the State of Delaware, unless a successor Person shall have become the Co-Issuer pursuant to the applicable provisions of this Indenture, and thereafter ***Co-Issuer*** shall mean such successor Person.

***Co-Issuers*** means the Issuer and Co-Issuer.

***Collateral*** has the meaning specified in the Granting Clauses.

***Collateral Administration Agreement*** means the Collateral Administration Agreement dated as of the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator relating to certain functions performed by the Collateral Administrator for the Issuer with respect to this Indenture and the Collateral, as amended from time to time.

***Collateral Administrator*** means the Bank and any successor appointed as Collateral Administrator pursuant to the Collateral Administration Agreement.

***Collateral Debt Security*** means (i) any CDO Obligation, (ii) any Other ABS, (iii) any Synthetic Security each Reference Obligation of which, and each Deliverable Obligation under which, is a CDO Obligation or Other ABS or (iv) any Deliverable Obligation which is a CDO Obligation or Other ABS that would qualify to be included as a Collateral Debt Security hereunder if purchased directly by the Issuer.

***Collateral Management Agreement*** means an agreement entered into between the Issuer and the Collateral Manager as of the Closing Date, as amended from time to time.

***Collateral Management Fee Makewhole*** means, in the event that an Optional Redemption or Tax Redemption occurs prior to the Quarterly Distribution Date in November 2012, or the Notes are redeemed following an Event of Default on or prior to such Quarterly Distribution Date, an amount payable to the Collateral Manager or its assignee on the related Redemption Date or the Accelerated Maturity Date, equal to the amount specified in a notice from the Administrative Agent to the Trustee and the Collateral Manager no later than the tenth Business Day prior to such scheduled Redemption Date or the Accelerated Maturity Date; **provided** that in no event shall the Collateral Management Fee Makewhole exceed U.S.$1,100,000.

***Collateral Manager*** means Terwin Money Management LLC, unless a successor Person shall have become Collateral Manager pursuant to the applicable provisions of the Collateral Management Agreement or the Administrative Agency Agreement, in which case Collateral Manager shall mean such successor Person.

***Collateral Quality Test Modification*** shall have the meaning set forth in Section 8.1.

***Collateral Quality Tests*** means the Diversity Test, the Fitch Weighted Average Rating Factor Test, the Moody's Weighted Average Rating Factor Test, the Moody's Minimum Weighted

instrument (a) expires no earlier than such stated or actual legal maturity, (b) provides that payment thereunder is independent of the performance by the obligor on such Asset-Backed Security and (c) is issued by an issuer having a credit rating assigned by each nationally recognized statistical rating organization that currently rates such Asset-Backed Security higher than the rating assigned to such Asset-Backed Security determined without giving effect to such corporate guarantee or similar instrument.

***Corporate Trust Office*** means the designated corporate trust office of the Trustee, currently located at 600 Travis Street, 50th Floor, JPMorgan Chase Tower, Houston, Texas 77002, Attention: Institutional Trust Services – Glacier Funding CDO II, Ltd. or such other address as the Trustee may designate from time to time by notice to the Noteholders and the Issuer or the principal corporate trust office of any successor Trustee.

***Coverage Test Modification*** shall have the meaning set forth in Section 8.1.

***Coverage Tests*** means the Overcollateralization Test and the Interest Coverage Test.

***Credit Card Securities*** has the meaning specified in Schedule K.

***Credit Improved Security*** means any Collateral Debt Security that satisfies one of the following criteria: (a) so long as the Moody's Rating Trigger is not in effect, such Collateral Debt Security has shown, in the commercially reasonable judgment of the Collateral Manager (exercised in accordance with the standard of care set forth in the Collateral Management Agreement and as of the date of the Collateral Manager's determination based upon currently available information), significantly improved credit quality, which may (but need not) be demonstrated by (i) financial results that have significantly improved since such Collateral Debt Security was purchased by the Issuer and (ii)(A) a decrease in such Collateral Debt Security's spread over the interest rate on the applicable U.S. Treasury Benchmark (in the case of Fixed Rate Securities) or floating rate index (in the case of Floating Rate Securities) by an amount exceeding, respectively, 0.50% and 0.25% or (B) an increase in the price of such Collateral Debt Security to 102% or more of the original purchase price paid therefor by the Issuer, in each case, since the date on which such Collateral Debt Security was acquired by the Issuer; or (b)(i) in the commercially reasonable judgment of the Collateral Manager, such Collateral Debt Security has shown significantly improved credit quality and (ii) such Collateral Debt Security has been upgraded or put on a watch list for possible upgrade by one or more rating subcategories by one or more Rating Agencies since it was acquired by the Issuer.

***Credit Risk Security*** means any Collateral Debt Security that satisfies one of the following criteria: (a) so long as the Moody's Rating Trigger is not in effect, the Collateral Manager believes (as of the date of the Collateral Manager's determination based upon currently available information) has a risk of declining in credit quality and, with lapse of time, becoming a Defaulted Security, a Written Down Security or a PIK Bond as to which interest is being deferred or capitalized; (b) such Collateral Debt Security has been downgraded or put on a watch list for possible downgrade by any Rating Agency by one or more rating subcategories since it was acquired by the Issuer and based on the Collateral Manager's commercially reasonable judgment, such Collateral Debt Security has experienced significant credit deterioration; or (c) is a Written Down Security.