**EXECUTION COPY**

680086-1

# CONFIRMATION

DATE: August 10, 2005

TO: Goldman Sachs International

FROM: AIG Financial Products Corp.

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

REF. NUMBER: NUUQ507BS

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 "CDS Transaction" and together with the Credit Derivative Transaction entered into on August 10, 2005 with respect to the Class A-1VA Notes, the "CDS 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: | August 10, 2005. |
| Effective Date: | August 10, 2005. |
| Scheduled Termination Date: | June 8, 2042. |
| Termination Date: | The earliest to occur of: (i) the Scheduled Termination Date, 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 (which for the avoidance of doubt shall exclude any Unpaid Amounts including, without limitation, any Makewhole to Seller) shall be due by either party in connection with a termination of this Transaction pursuant to the preceding sentence or pursuant to the designation of an Optional Termination Date (other than any Makewhole to Buyer payable by the Seller to the Buyer in connection with such 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, as notified by Buyer; 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 Columbia, Maryland. |
| 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: | Jupiter High-Grade CDO III Ltd. |
| Reference Obligation: | Primary Obligor: Jupiter High-Grade CDO III Ltd.<br>Class: Class A-1NV Notes<br>Maturity: June 8, 2042<br>Coupon: LIBOR (as defined in the Indenture) + 0.27%.<br>CUSIP/ISIN: 48206AAG3/ US48206AAG31<br>Original Issue Amount: USD 1,299,750,000 |
| Reference Price: | 100% plus accrued interest (expressed as a percentage) |
| All Guarantees: | Not Applicable. |

| | |
|---|---|
| Notional Amount: | On any date, the product of (i) 1,299,500/1,299,750 and (ii) the aggregate unpaid principal amount of the Reference Obligation outstanding on such date, after giving effect to any repayments of principal 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 1,299,500,000 (minus any repayment 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 1,299,500,000. |

2. **Fixed Payments:**

| | |
|---|---|
| Fixed Rate Payer Calculation Amount: | The average of the Notional Amount outstanding on each day during the related Fixed Rate Payer Calculation Period. |
| Fixed Rate Payer Payment Date: | March 8, June 8, September 8 and December 8 of each calendar year of each year, commencing on December 8, 2005 up to and including the Termination Date, subject to adjustment in accordance with the Following Business Day Convention. |
| Fixed Rate: | 0.10% |
| Fixed Rate Day Count Fraction: | Actual/360 |

3. **Makewhole to Seller:** Upon the termination of both CDS Transactions for any reason, whether on or prior to the Scheduled Termination Date Counterparty shall pay to AIG-FP a single payment representing the minimum aggregate Fixed Amounts for both CDS Transactions (the "Makewhole to Seller") equal to the positive difference if any between (i) USD 3,509,325 and (ii) the sum of all amounts paid to AIG-FP as Fixed Payments pursuant to Section 2 of both CDS Transactions. The parties agree that the Makewhole to Seller shall be treated as Unpaid Amounts and not as a termination payment.

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 |

Notifying Party: Buyer or Seller

Notice of Physical Settlement

Notice of Publicly Available Information: Applicable, except as hereinafter provided.

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 the 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 a principal amount of the Reference Obligation equal to the Notional Amount of this Transaction (whether Buyer and its transferees or, if Buyer is not a holder of the Reference Obligations, Buyer's transferees, the "Reference Holders"), 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") pursuant to Section 8.1 of the Indenture (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 NUUQ507CD 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:**

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.<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 |

Account No:40616408
Fed ABA No.021000089

AIGFP Settlements:

Carmine Paradiso/Joanne Dulka
Wilton, Connecticut
Tel: 203-221-4805
Fax: 203-222-4780

Counterparty Settlements: Inquiries regarding payments and/or rate resetting only:

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

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 to Buyer 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 to Buyer:

On the Optional Termination Date, Seller shall pay to Buyer an amount in respect of this transaction (the "Makewhole to Buyer") equal to the sum of the Reference Obligation Payment and the Present Value Payment for such transaction. For the avoidance of doubt, the Makewhole to Buyer shall be payable to the extent due in respect of this Transaction separately from that payable in respect of the Class A-1VA CDS Transaction.

"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 Obligation 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 Obligation 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 17 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 September 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:

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 Commencing | Applicable Amortization Percentage |
|---|---|
| August 10, 2005 | 100.00% |
| December 8, 2005 | 99.75% |
| March 8, 2006 | 99.31% |
| June 8, 2006 | 98.73% |
| September 8, 2006 | 98.17% |
| December 8, 2006 | 97.51% |
| March 8, 2007 | 96.76% |
| June 8, 2007 | 95.86% |
| September 8, 2007 | 95.02% |
| December 8, 2007 | 94.07% |
| March 8, 2008 | 92.85% |
| June 8, 2008 | 91.59% |
| September 8, 2008 | 90.17% |
| December 8, 2008 | 88.57% |
| March 8, 2009 | 85.38% |
| June 8, 2009 | 81.43% |
| September 8, 2009 | 78.52% |
| December 8, 2009 | 76.38% |
| March 8, 2010 | 73.15% |
| June 8, 2010 | 70.45% |
| September 8, 2010 | 68.16% |
| December 8, 2010 | 66.20% |
| March 8, 2011 | 62.25% |
| June 8, 2011 | 58.63% |
| September 8, 2011 | 55.60% |
| December 8, 2011 | 52.51% |
| March 8, 2012 | 50.03% |
| June 8, 2012 | 47.16% |
| September 8, 2012 | 44.51% |
| December 8, 2012 | 41.54% |
| March 8, 2013 | 38.99% |
| June 8, 2013 | 35.22% |
| September 8, 2013 | 0.00% |

EXECUTION COPY

**December 2, 2004**

**JUPITER HIGH-GRADE CDO LTD.,**
**as Issuer**

**JUPITER HIGH-GRADE CDO INC.,**
**as Co-Issuer**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**
**as Trustee**

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# INDENTURE

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**FRESHFIELDS BRUCKHAUS DERINGER LLP**

**THIS INDENTURE** dated as of December 2, 2004 is made

**BETWEEN**

(1) **JUPITER HIGH-GRADE CDO LTD.**, an exempted company incorporated and existing under the laws of the Cayman Islands (the ***Issuer***);

(2) **JUPITER HIGH-GRADE CDO 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) **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States, 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 Secured Parties. 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, 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, the Hedge Counterparty Collateral Account, each Synthetic Security Counterparty Account, each Synthetic Security Issuer Account, all funds and other property standing to the credit of each such account, all U.S. Agency Securities and 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 Agreement, (d) the Collateral Management Agreement, the Collateral Administration Agreement, the Administration Agreement, the Investor Application Forms and the Class A-1 Note Funding 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

the first date on which the Aggregate Undrawn Amount of the Class A-1 Notes has been reduced to zero; (d) the occurrence of an Event of Default specified in Section 5.1(d), 5.1(f) or 5.1(g); or (e) the sale, foreclosure or other disposition of the Collateral pursuant to Section 5.4.

***Components*** means the Preferred Share Component and the Underlying Note Component.

***Controlling Class*** means the Class A-1 Notes or, if there are no Class A-1 Notes Outstanding (and the Commitment Period Termination Date has occurred), *then* the Class A-2 Notes or, if there are no Class A-2 Notes Outstanding (and the Commitment Period Termination Date has occurred), *then* the Class B Notes or, if there are no Class B Notes Outstanding (and the Commitment Period Termination Date has occurred), *then* the Class C Notes.

***Conversion Factor*** means, with respect to any Quarterly Distribution Date, the market price for the Underlying Note (as determined by the Trustee on the Business Day immediately preceding such Quarterly Distribution Date based on the second highest of three quotations obtained from three Qualified Bidders in the Underlying Note and expressed as a percentage of the amount payable at maturity on the Underlying Note).

***Corporate CDO Security*** means a CDO Security of which the underlying assets include corporate debt securities.

***Corporate Trust Office*** means the designated corporate trust office of the Trustee, currently located at (i) for Note transfer purposes, Wells Fargo Bank, National Association, Wells Fargo Center, Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479, Attention: Corporate Trust Services – Jupiter High-Grade CDO Ltd. and (ii) for all other purposes, Wells Fargo Bank, National Association, 9062 Old Annapolis Road, Columbia, Maryland 21045, Attention: CDO Trust Services - Jupiter High-Grade CDO 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.

***Countrywide*** means Countrywide Financial Corporation.

***Coverage Tests*** means the Class A/B Coverage Tests and the Class C Coverage Tests.

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

***Credit Risk Security*** means any Collateral Debt Security that 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 or a Written Down Security.

***Current Portfolio*** means the portfolio (measured by Principal Balance) of Pledged Collateral Debt Securities existing immediately prior to the sale, maturity or other disposition of a Collateral Debt Security or immediately prior to the acquisition of a Collateral Debt Security, as the case may be.

***Custodial Account*** means a custodial account at the Custodian, established in the name of the Trustee.

a replacement Hedge Agreement) less any deferred premium payments payable by the Issuer under the Hedge Agreement during such Due Period; (6) all amounts on deposit in the Expense Account, the Interest Reserve Account, the Semi-Annual Interest Reserve Account and the Uninvested Proceeds Account that are transferred to the Payment Account for application as Interest Proceeds pursuant to Section 10.4(b) and (c) and (7) payments in respect of interest on U.S. Agency Securities other than any payment in respect of accrued interest purchased by the Issuer upon acquisition of a U.S. Agency Security; **provided** that (x) Interest Proceeds shall in no event include (i) any payment or proceeds specifically defined as "Principal Proceeds" in the definition thereof, or (ii) any Excepted Property and (y) payments made by the Hedge Counterparty on a Quarterly Distribution Date will be deemed to have been made during the related Due Period.

***Interest Reserve Account*** means the Securities Account designated the "Interest Reserve Account" and established in the name of the Trustee pursuant to Section 10.4.

***Investment Company Act*** means the United States Investment Company Act of 1940, as amended, and the rules thereunder.

***Investor Application Forms*** means the several investor application forms that collectively account for all of the Preferred Shares to be issued on the Closing Date, each dated on or prior to the Closing Date, executed by the respective subscribers for the Preferred Shares, as modified and supplemented and in effect from time to time.

***IRR*** means with respect to each Quarterly Distribution Date, the rate of return on the Preferred Shares that would result in a net present value of zero, assuming (i) the original Aggregate Liquidation Preference of the Preferred Shares is an initial negative cash flow on the Closing Date and all distributions, if any, on such Quarterly Distribution Date and each preceding Quarterly Distribution Date are positive cash flows, (ii) the initial date for the calculation is the Closing Date, (iii) the number of days to each subsequent Quarterly Distribution Date from the Closing Date is calculated on the basis of a 360-day year consisting of twelve 30-day months and (iv) the calculation is made on a bond-equivalent yield basis.

***Issue*** of Collateral Debt Securities means Collateral Debt Securities issued by the same issuer, secured by the same collateral pool.

***Issuer*** means Jupiter High-Grade CDO Ltd., an exempted company incorporated and existing under the law of the Cayman Islands, unless a successor Person shall have become the Issuer pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor Person.

***Issuer Charter*** means the Memorandum and Articles of Association of the Issuer, filed under the Companies Law (2004 Revision) of the Cayman Islands, as modified and supplemented and in effect from time to time.

***Issuer Order*** and ***Issuer Request*** mean, respectively, a written order or a written request (which may be in the form of a standing order or request), in each case dated and signed in the name of the Issuer by an Authorized Officer with respect to the Issuer and (if appropriate) the Co-Issuer.

***LIBOR*** has the meaning specified in Schedule B.

## SCHEDULE B

## LIBOR FORMULA

With respect to each Interest Period, ***LIBOR*** for purposes of calculating the Note Interest Rate for the Notes for such Interest Period will be determined by the Calculation Agent in accordance with the following provisions:

(i) LIBOR for any Interest Period shall equal the offered rate, as determined by the Calculation Agent, for Dollar deposits in Europe of the Designated Maturity that appears on Telerate Page 3750 (or such other page as may replace such Telerate Page 3750 for the purpose of displaying comparable rates), as of 11:00 a.m. (London time) on the applicable LIBOR Determination Date. ***LIBOR Determination Date*** means, with respect to any Interest Period, the second London Banking Day prior to the first day of such Interest Period.

(ii) If, on any LIBOR Determination Date, such rate does not appear on Telerate Page 3750 (or such other page as may replace such Telerate Page 3750 for the purpose of displaying comparable rates), the Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for Dollar deposits in Europe of three months (**except** that in the case where such Interest Period shall commence on a day that is not a LIBOR Business Day, for the relevant term commencing on the next following LIBOR Business Day), by reference to requests for quotations as of approximately 11:00 a.m. (London time) on such LIBOR Determination Date made by the Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean. If, on any LIBOR Determination Date, fewer than two Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in New York City selected by the Calculation Agent are quoting on the relevant LIBOR Determination Date for Dollar deposits for the term of such Interest Period (**except** that in the case where such Interest Period shall commence on a day that is not a LIBOR Business Day, for the relevant term commencing on the next following LIBOR Business Day), to the principal London offices of leading banks in the London interbank market.

(iii) In respect of any Interest Period having a Designated Maturity other than one, two, three or six months, LIBOR shall be determined through the use of straight-line interpolation by reference to two rates calculated in accordance with clauses (i) and (ii) above, one of which shall be determined as if the maturity of the Dollar deposits referred to therein were the period of time for which rates are available next shorter than the Interest Period and the other of which shall be determined as if such maturity were the period of time for which rates are available next longer than the Interest Period; **provided** that, if an Interest Period is less than or equal to seven days, then LIBOR shall be determined by reference to a rate calculated in accordance with clauses (i) and (ii) above as if the maturity of the Dollar deposits referred to therein were a period of time equal to seven days.

(iv) If the Calculation Agent is required but is unable to determine a rate in accordance with either procedure described in clause (i) or (ii) above, LIBOR with respect to such Interest

Period shall be the arithmetic mean of the offered quotations of the Reference Dealers as of 10:00 a.m. (New York time) on the first day of such Interest Period for negotiable Dollar certificates of deposit of major U.S. money market banks having a remaining maturity closest to the Designated Maturity.

(v) If the Calculation Agent is required but is unable to determine a rate in accordance with any of the procedures described in clauses (i), (ii) or (iv) above, LIBOR with respect to such Interest Period will be calculated on the last day of such Interest Period and shall be the arithmetic mean of the Base Rate for each day during such Interest Period.

For purposes of clauses (i), (iii), (iv) and (v) above, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point. For the purposes of clause (ii) above, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one thirty-second of a percentage point.

As used herein:

***Base Rate*** means a fluctuating rate of interest determined by the Calculation Agent as being the rate of interest most recently announced by the Base Rate Reference Bank at its New York office as its base rate, prime rate, reference rate or similar rate for Dollar loans. Changes in the Base Rate will take effect simultaneously with each change in the underlying rate.

***Base Rate Reference Bank*** means Wells Fargo Bank, National Association, or if such bank ceases to exist or is not quoting a base rate, prime rate, reference rate or similar rate for Dollar loans, such other major money center commercial bank in New York City as is selected by the Calculation Agent.

***LIBOR Business Day*** means a day on which commercial banks and foreign exchange markets settle payments in Dollars in New York and London.

***London Banking Day*** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

***Reference Banks*** means four major banks in the London interbank market, selected by the Calculation Agent.

***Reference Dealers*** means three major dealers in the secondary market for Dollar certificates of deposit, selected by the Calculation Agent.

The determination of the Note Interest Rate for each Class or Sub-Class of Notes by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.