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**CONFIRMATION**

| | |
|---|---|
| DATE: | August 28, 2003 |
| TO: | Goldman Sachs Capital Markets, L.P. ("GSCM") |
| FROM: | AIG Financial Products Corp. ("AIG-FP") |
| RE: | U.S. DOLLAR SWAP TRANSACTION |

**Dear Sirs:**

The purpose of this communication is to confirm the terms and conditions of the transaction entered into between AIG Financial Products Corp. ("Party A") and Goldman Sachs Capital Markets, L.P. ("Party B") on the Trade Date specified below (the "Transaction"). This communication constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (the "Definitions"), are incorporated into this Confirmation. For these purposes, all references in those Definitions to a "Swap Transaction" shall be deemed to apply to the Transaction referred to herein. In the event of any inconsistency between the Definitions and this Confirmation, the terms of this Confirmation shall govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement, dated as of October 17, 1990, as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement (including without limitation definitions incorporated by reference therein from the Trust Deed or the Security Agreement, as applicable) govern this Confirmation except as expressly modified below.

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

| | |
|---|---|
| Type of Transaction: | Interest Rate Swap Transaction. |
| Trade Date: | August 28, 2003. |
| Effective Date: | August 28, 2003. |
| Termination Date: | July 15, 2007. |

**Floating Amounts:**

| | |
|---|---|
| Floating Rate Payer Notional Amount: | The outstanding principal balance of the Class A-1MM-g Notes (as defined in the Trust Deed) after |


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| | |
|---|---|
| | giving effect to the reduction of such principal balance on the related Fixed Rate Payer Payment Date in accordance with the Priority of Payments (as defined in the Trust Deed). |
| Floating Rate Payer | Party A. |
| Floating Rate Payer Payment Dates: | Each Payment Date (as defined in the Trust Deed). |
| Floating Rate: | The difference between (i) LIBOR (as defined in the Trust Deed) plus 0.27% and (ii) the Class A-1 Note Interest Rate (as defined in the Trust Deed) with respect to the Class A-1MM-g Notes (as defined in the Trust Deed). |
| Negative Interest Rate Method: | Applicable. |
| Spread: | None. |
| Calculation Period Start Date: | Each Floating Rate Payer Payment Date. |
| Calculation Period: | The period commencing on and including each Calculation Period Start Date to but excluding the following Floating Rate Payer Payment Date. |
| Floating Rate Day Count Fraction: | Actual/360. |
| Method of Averaging: | Inapplicable. |
| Compounding: | Inapplicable. |
| Other Provisions: | None. |
| Calculation Agent: | Party B. |
| Business Days: | As such term is defined in the Trust Deed. |

3. Account Details

| | |
|---|---|
| Payments to AIG Financial Products Corp. | 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 |


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| | |
|---|---|
| Payments to Party B: | Citibank, New York<br>ABA #: 021000089<br>A/C: Goldman Sachs Capital Markets, New York<br>A/C#: 40670834 |

4. Additional Provisions.

(a) **Trust Deed; Security Agreement.** Reference is hereby made to (i) the Amended and Restated Trust Deed, dated as of May 29, 2003 (as such agreement has been amended, restated and supplemented to date, and as such agreement may be hereafter amended, restated and supplemented, from time to time, the "Trust Deed"), among Putnam Structured Product CDO 2002-1 Ltd., as Issuer (the "Issuer"), Putnam Structured Product CDO 2002-1 LLC, as Co-Issuer (the "Co-Issuer"), and LaSalle Bank National Association, as Trustee, (ii) the Amended and Restated Security Agreement, dated as of May 29, 2003 (as such agreement has been amended, restated and supplemented to date, and as such agreement may be hereafter amended, restated and supplemented, from time to time, the "Security Agreement"), among the Issuer, LaSalle Bank National Association, as Trustee, Collateral Agent and Securities Intermediary and The Putnam Advisory Company, LLC, as Collateral Manager and (iii) the ISDA Master Agreement, dated August 28, 2003, between AIG Financial Products Corp. and LaSalle Bank National Association, as trustee (as such agreement has been amended, restated, and supplemented to date, and as such agreement may be hereafter amended, restated and supplemented, from time to time, the "Trust Put Agreement"). Capitalized terms used in this Confirmation that are not defined have the respective meanings assigned to them in the Trust Deed or the Security Agreement, as applicable.

(b) **Related Transaction.** Notwithstanding anything contrary in the Agreement, Party A's payment obligations with respect to a Payment Date under the Transaction shall only be payable to the extent Party A receives the corresponding amount due on such Payment Date under the Confirmation dated August 28, 2003 (the "Related Confirmation") between Party A and Putnam Structured Product CDO 2002-1 Ltd. relating to the U.S. Dollar Swap Transaction (the "Related Transaction").

(c) **Additional Termination Event.** For purposes of the Transaction, any termination in whole or in part of the Related Transaction or any amendment, modification or supplement of the Related Confirmation shall be an Additional Termination Event under the Transaction. Part A shall notify Party B immediately of the termination, in whole or in part, or amendment, modification or supplement of the Related Transaction. Notwithstanding anything to the contrary in the Agreement, no Termination Payment (other than accrued amounts due) shall be due to either Party A or Party B in connection with any Early Termination of the Transaction with respect to an Additional Termination Event under this paragraph 4(c).

(d) **Party B Optional Termination.** Party B, at its sole discretion, may terminate the Swap Transaction, without any amounts payable by either party (other than accrued amounts due), on July 15, 2006 or January 15, 2007 (or, if any such date is not a Business Day, the next



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succeeding Business Day); provided, however, that a Successful Remarketing must have occurred on such termination date.

(e) **Collateralization Event.** Party A and Party B hereby agree that, notwithstanding any provisions to the contrary contained in the Agreement, for purposes of this Confirmation if The Goldman Sach's Group, Inc.'s long-term senior unsecured debt obligations (i) are rated "Baa1" or lower by Moody's Investors Service, Inc. ("Moody's") or are not rated by Moody's or (ii) are rated "BBB+" or lower by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), or are not rated by S&P, then Party A shall be the Valuation Agent in respect of the Transaction covered by this Confirmation for the purposes of the Credit Support Annex forming a part of the Agreement (the "Credit Support Annex"). Furthermore, for the avoidance of doubt, for purposes of the Credit Support Annex and this Transaction, the "Exposure", with respect to this Transaction on each Valuation Date or other date for which said Exposure is calculated, shall mean (i) for GSCM as Secured Party, zero, and (ii) for AIG-FP as Secured Party, the Market Related Amount with respect to the Bonds.

Where:

"Market Related Amount" means: (i) the product of (A) the outstanding principal amount of the Bonds and (B) 100%, *minus* (ii) Market Value of Bonds.

"Market Value of Bonds" equals the market value of the Bonds as determined by the Valuation Agent as of 3:00 p.m. (New York City time) on the date of such calculation.

"Bonds" means the Class A-1MM-g Notes.

If such Exposure is a positive number, then such positive Exposure shall be deemed to be AIG-FP's Exposure under the Transaction. If such Exposure is a negative number Exposure under the Transaction shall be deemed to be zero.

(f) **Independent Amount.** The Independent Amount in respect of this Transaction applicable to GSCM will be an amount equal to the outstanding principal amount of the Bonds multiplied by the relevant percentage determined pursuant to the schedule attached hereto as Schedule A.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to us by facsimile transmission on 203-222-4780, Attention: Carmine Paradiso or Joann Dulka; telephone: 203-221-4805.



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Very truly yours,

AIG FINANCIAL PRODUCTS CORP.

By_____
Name:
Title:

Accepted and confirmed as
of the date first written:

GOLDMAN SACHS CAPITAL MARKETS, L.P.

By:_____
Name:
Title:


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## SCHEDULE A

Independent Amount
(expressed as a percentage)

| | | Asset Rating* | | | |
|---|---|---|---|---|---|
| | | AAA/ Aaa | AA/Aa2 (Category) | A/A2 (Category) | BBB/Baa2 or lower (Category) |
| GSCM's Credit Support Provider Rating* | A+/A1 or higher | 0% | 0% | 0% | 0% |
| | A/A2 | 0% | 0% | 0% | 0% |
| | A-/A3 | 0% | 0% | 5% | 5% |
| | BBB+/Baa1 | 5% | 8% | 8% | 10% |
| | BBB/Baa2 | 5% | 8% | 10% | 10% |
| | BBB-/Baa3 (or lower) | 8% | 10% | 10% | 10% |

*Ratings above refer to S&P and Moody's, respectively. In the event of a split rating, the lower of the two ratings shall apply for purposes of determining the Independent Amount.



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Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-902-1000

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Goldman Sachs

August 28, 2003

AIG Financial Products Corp.
50 Danbury Road
Wilton, Connecticut 06897-4444

Putnam Structured Products CDO 2002-1

Reference is hereby made to the Amended and Restated Remarketing Agreement, dated as of May 29, 2003 (the "Remarketing Agreement"), by and between Putnam Structured Product CDO 2002-1 Ltd., a limited liability company incorporated and existing under the laws of the Cayman Islands (the "Issuer"), Putnam Structured Product CDO 2002-1 LLC, a limited liability company formed and existing under the laws of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Issuers"), and Goldman, Sachs & Co., as the remarketing agent (the Remarketing Agent"). Capitalized terms used but not defined in this letter agreement have the respective meanings set forth in (or incorporated into) the Remarketing Agreement.

For good and valuable consideration, the sufficiency of which is hereby acknowledged, Goldman, Sachs & Co. ("GS&Co."), in its individual capacity and not as Remarketing Agent, hereby agrees with AIG Financial Products Corp. ("AIGFP"), as Put Counterparty under the Put Agreement, that in connection with each remarketing of Class A-1MM-f Notes, Class A-1MM-g Notes and Class A-1MM-h Notes of the Issuers, in accordance with the terms of the Remarketing Agreement, relating to an Extended Remarketing Date with respect to such subclass of Class A-1MM Notes, (i) GS&Co. will bid up to a Remarketing Spread of 27 basis points or such lesser Remarketing Spread as is necessary for there to be a Successful Remarketing of such subclass of Class A-1MM Notes, (ii) if any such bid of GS&Co. is part of the Clearing Bids selected by the Remarketing Agent in connection with the such remarketing of such subclass of Class A-1MM Notes, GS&Co. will commit to purchase a principal amount of such subclass of Class A-1MM Notes sufficient for there to be a Successful Remarketing of such subclass of Class A-1MM Notes and (iii) if there is a Failed Settlement with respect to any such remarketed Class A-1MM Notes, GS&Co. will purchase the related Class A-1MM Notes which otherwise would have been purchased by a Prospective Purchaser had there not been such Failed Settlement. Notwithstanding the foregoing, (a) GS&Co. will not have any obligation to bid for or purchase any Class A-1MM Notes under this letter agreement if AIGFP would not be obligated under the Put Agreement to purchase such Notes if there were not a Successful Remarketing of such Notes in connection with such Extended Remarketing Date, (b) GS&Co. will not have any obligation to bid for or purchase any A-1MT Notes or A-1LT Notes, and (c) the obligation of GS&Co. under this letter agreement shall terminate (1) with respect to any Class A-1MM-f Notes, on the earlier


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to occur of (x) a Successful Remarketing in May 2006 or (y) the Subsequent Payment Date in November 2006, (2) with respect to any Class A-1MM-g Notes, on the earlier to occur of (x) a Successful Remarketing in July 2006 or (y) the Subsequent Payment Date in January 2007 and (3) with respect to any Class A-1MM-h Notes, on the earlier to occur of (x) a Successful Remarketing in April 2006 or (y) the Subsequent Payment Date in October 2006.

This letter agreement is for your sole and exclusive benefit, no other party shall have any right or benefit hereunder and may not be assigned to any other party without our prior written consent. This letter agreement shall be governed by New York law. If you are in agreement with the foregoing, kindly sign in the space provided below.

GOLDMAN, SACHS & CO.

(Goldman, Sachs & Co.)

Acknowledged and agreed as of
the date hereof:

AIG FINANCIAL PRODUCTS CORP.

By:

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



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