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EXECUTION COPY

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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:

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

**Floating Amounts:**

| | |
|---|---|
| Floating Rate Payer Notional Amount: | The outstanding principal balance of the Class A-1MM-f 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-f 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 May 15, 2006 or November 15, 2006 (or, if any such date is not a Business Day, the



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next 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-f 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:

**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

449391

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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**Put Agreement**

**Confirmation regarding the Class A-1 Notes**

# CONFIRMATION

Date: December 20, 2002

To: La Salle Bank National Association, as Trustee

From: AIG Financial Products Corp.

Re: Remarketing Put Option - A-1 Money Market Notes and A-1 Medium Term Notes

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

1. This Confirmation is subject to and incorporates the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the **"Definitions"**). This Confirmation supplements, forms part of and is subject to the ISDA Master Agreement dated as of December 20, 2002 between AIG-FP and the Trustee that (i) incorporates the Definitions (whether directly or by means of this Confirmation) and (ii) sets forth general terms and conditions applicable to remarketing put option transactions between us (the **"Master Agreement"**). All provisions contained in, or incorporated by reference to, such Master Agreement shall govern this Confirmation except as expressly modified below. Any capitalized terms used but not defined herein, in the Master Agreement or the Definitions shall have the meanings assigned to them in the Trust Deed (the "**Trust Deed**") dated as of December 20, 2002 among Putnam Structured Product CDO 2002-1 Ltd. (the "**Issuer**"), Putnam Structured Product CDO 2002-1 LLC and the Trustee, including Schedule 8 thereto.

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

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| Trade Date: | December 20, 2002. |
| Effective Date: | December 20, 2002. |
| Termination Date: | The earlier of the Payment Date in January, 2038 and the date on which the Notes are paid in full. |

Option Type: Put.

Seller: AIG-FP.

Buyer: Trustee.

Notes: Putnam Structured Product CDO 2002-1 Ltd. and Putnam Structured Product CDO 2002-1 LLC Class A-1 Money Market Floating Rate Notes Due 2038 and Class A-1 Medium Term Floating Rate Notes Due 2038 (the **"Notes"**) in the following subclasses:

| | **A-1 Money Market Notes** | **A-1 Medium Term Notes** |
|---|---|---|
| **"a"** | Class A-1MM-a Notes | Class A-1MT-a Notes |
| **"b"** | Class A-1MM-b Notes | Class A-1MT-b Notes |
| **"c"** | Class A-1MM-c Notes | Class A-1MT-c Notes |
| **"d"** | Class A-1MM-d Notes | Class A-1MT-d Notes |
| **"e"** | Class A-1MM-e Notes | Class A-1MT-e Notes |

Five or fewer of the above subclasses will have an outstanding principal amount of greater than zero at any one time (such subclasses, together with any subclasses of Class A-1LT Notes with a principal amount greater than zero, the **"Active Class A-1 Notes"**) with the remaining subclasses (including any subclasses of Class A-1LT Notes that are not Active Class A-1 Notes) having a balance of zero (the **"Standby Class A-1 Notes"**). The initial Active Class A-1 Notes include the Class A-1MM-d Notes, Class A-1MM-e Notes, Class A-1MT-a Notes, Class A-1MT-b Notes and Class A-1MT-c Notes.

Number of Options: 880,000

Note Entitlement: $1,000 of initial outstanding amount of Notes per Option.

Partial Exercise: Applicable.

| | |
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| Option Strike Price: | On any A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date, the outstanding principal amount of the related Notes, plus accrued and unpaid interest, if any. |
| Procedure for Exercise: | |
| Exercise Period: | The Options may be exercised, with respect to each subclass of Notes, on the third Business Day prior to any A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date applicable to such subclass prior to the Termination Date as to which there has not been a Successful Remarketing, up until 6:00 p.m., New York time, whether or not such Options have been exercised in connection with any prior A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date; provided that it shall be a condition to the Buyer's right to exercise the Options that (a) no Event of Default (as defined in the Trust Deed) has occurred and is continuing relating to (i) payment of interest on the Class A Notes or principal of the Notes (assuming AIG-FP has paid all amounts, if any, due from it as counterparty under the Hedge Agreements, whether such amounts have actually been paid or not) or (ii) bankruptcy or insolvency of the Issuer has occurred and is continuing on such Extended Remarketing Date or Put Date and (b) AIG-FP shall have received either a Payment Report stating that sufficient funds for the payment of interest on the Notes on the A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date, as applicable, will be on deposit in the Payment Account (taking into account all amounts, if any, due from AIG-FP as counterparty (so long as it shall be the counterparty) under the Hedge Agreements) or other evidence to such effect that is reasonably satisfactory to AIG-FP; provided that if the Issuer makes full interest payments on the Notes on the related Payment Date or within 5 days thereof, notwithstanding the |

failure of the Trustee to timely deliver a Payment Report or other evidence satisfactory to AIG-FP as provided in clause (b) above, AIG-FP will perform under the exercised Option on the Business Day following such payment so long as the conditions described in clause (a) are satisfied.

The A-1 Money Market Notes Remarketing Dates for each subclass of A-1 Money Market Notes shall occur on the Payment Dates for the A-1 Money Market Notes of each subclass of A-1 Money Market Notes in (i) January and July of each year for the Class A-1MM-a Notes, (ii) April and October of each year for the Class A-1MM-b Notes, (iii) February and August of each year for the Class A-1MM-c Notes, (iv) June and December of each year for the Class A-1MM-d Notes, and (v) March and September of each year for the Class A-1MM-e Notes and the A-1 Money Market Notes Extended Remarketing Date, if any, with respect to each such A-1 Money Market Notes Remarketing Date shall occur on the next following A-1 Money Market Notes Remarketing Date applicable to such subclass of Notes, in each case prior to the Termination Date; provided, however, that, if as a result of a change in law or interpretation the A-1 Money Market Notes are no longer eligible for purchase by money market funds under Rule 2a-7 of the Investment Company Act of 1940, as amended, upon at least 10 Business Days' written notice to the Remarketing Agent prior to the next upcoming Remarketing Date, AIG-FP may, at its discretion, elect to change the Remarketing Period commencing on such Remarketing Date by directing the Remarketing Agent to remarket such Notes with respect to any subsequent Payment Date (provided the Issuer and the Collateral Manager have consented to such change) occurring within one year of such upcoming A-1 Money Market Notes Remarketing Date. AIG-FP shall notify S&P and Moody's of any such change.

The A-1 Medium Term Notes Remarketing Dates for each subclass of A-1 Medium Term Notes shall occur on the semi-annual dates and the A-1 Medium Term Notes Put Date shall occur on the date designated by the Collateral Manager and AIG-FP to the Issuer, Trustee and Remarketing Agent prior to each remarketing of a subclass of A-1 Medium Term Notes unless a Hold Option or Extension Option is available and is exercised as to such date and subclass.

Based on the information provided by the Remarketing Agent, the Trustee shall maintain a schedule substantially in the form attached as Annex A hereto, indicating on each Payment Date, the subclasses of Active Class A-1 Notes that are A-1 Money Market Notes and their respective A-1 Money Market Notes Remarketing Dates and the subclasses of Active Class A-1 Notes that are A-1 Medium Term Notes and their respective A-1 Medium Term Notes Remarketing Dates (as may be affected by exercise of a Hold Option) and their respective A-1 Medium Term Notes Put Dates (as may be affected by exercise of an Extension Option, which shall be delivered to AIG-FP at least 30 calendar days prior to each applicable A-1 Medium Term Notes Put Date), provided that the failure to provide such schedule will not affect the obligations of either party hereto.

Exercise Procedure: The Remarketing Agent shall be required under the terms of the Remarketing Agreement and the Trust Deed to (i) provide written notice by fax or email (the **"Remarketing Results Notice"**) to the Trustee, the Collateral Manager and AIG-FP on or before the date which is four Business Days prior to each A-1 Money Market Notes Remarketing Date or A-1 Medium Term Notes Remarketing Date (unless an available Hold Option or Extension Option has been exercised), stating (a) whether there has or has not been a Successful Remarketing of the Notes due to be remarketed on the relevant Remarketing Date, (b) if there has been a

Successful Remarketing, a statement identifying the Notes that have been successfully remarketed, (c) if there has been no Successful Remarketing, the aggregate principal amount of the Clearing Bids received by the Remarketing Agent which have Bid Spread Amounts at or below the applicable Maximum Remarketing Spread and the Bid Spread Amount and principal amount of any bids in excess of the applicable Maximum Remarketing Spread, and (d) if there has been no Successful Remarketing, stating the Option Strike Price for the A-1 Money Market Notes or A-1 Medium Term Notes to be purchased by AIG-FP and (ii) if the Collateral Manager and AIG-FP have directed a Cross Type Remarketing, provide a written notice by fax or email, (the **"Money Market/Medium Term Note Designation Notice"**) to the Trustee, identifying the Note Type and subclass of the Replacement Remarketing Notes and if the Replacement Remarketing Notes are A-1 Medium Term Notes, the applicable A-1 Medium Term Remarketing Dates and A-1 Medium Term Notes Put Date assigned to such subclass and whether such subclass has been designated as having a Hold Option and/or the Extension Option or neither.

Upon receiving a Remarketing Results Notice stating that there has not been a Successful Remarketing on an A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date, AIG-FP shall on the fourth Business Day prior to the Remarketing Date provide written notice to the Issuer, the Collateral Manager, the Remarketing Agent and the Trustee electing one of the following alternatives (and if AIG-FP does not provide such notice, AIG-FP will be deemed to have elected the first alternative):

(i) AIG-FP will purchase the A-1 Money Market Notes or A-1 Medium Term Notes for which no Clearing Bids have been received and the Remarketing Spread for the entire subclass of A-1

Money Market Notes or A-1 Medium Term Notes, as applicable, will be the Maximum Remarketing Spread,

(ii) if the Remarketing Notes or Replacement Remarketing Notes in respect of which the Successful Remarketing has not occurred are A-1 Medium Term Notes or A-1 Long Term Notes, will purchase an entire subclass of A-1 Money Market Notes in replacement of the entire subclass of such A-1 Medium Term Notes or A-1 Long Term Notes and the Remarketing Spread for such subclass of A-1 Money Market Notes will be the Maximum Remarketing Spread (the Notes referred to in clauses (i) and (ii), the **"Failed Remarketing Put Notes"**), or

(iii) AIG-FP will make a deposit of the Cumulative Shortfall Spread to the Class A-1 Reserve Account on the Put Date for application as Additional Spread to such subclass on each applicable Payment Date through the earlier of its Successful Remarketing or its Put Date (the **"AIG Paydown Option"**). If AIG-FP elects the AIG Paydown Option, the Put Notes will bear interest at LIBOR plus the Maximum Remarketing Spread plus the Additional Spread until the earlier of a Successful Remarketing of such Notes or the applicable Put Date.

The Trustee at the direction of the Remarketing Agent shall confirm to AIG-FP the amount of the Option Strike Price for all of the Notes to be purchased by it, and if such Notes are an entire sub class of A-1 Money Market Notes, the designated subclass.

**If the Trustee has not received such a Remarketing Results Notice from the Remarketing Agent by the fourth Business Day prior to any A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date or if no Remarketing Agreement is in**

**place, the Trustee shall notify AIG-FP on or prior to the fourth Business Day prior to such A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date that it has not received such a notice (or that no Remarketing Agreement (or similar agreement) is in place), and shall specify the Option Strike Price for the applicable subclass of A-1 Money Market Notes or A-1 Medium Term Notes (the "Non-Remarketed Put Notes, and together with the Failed Remarketing Put Notes, the "Put Notes")) and AIG-FP shall purchase a subclass of A-1 Money Market Notes with a spread equal to the Maximum Remarketing Spread in replacement of the entire subclass of such Non-Remarketed Put Notes.**

Physical Settlement Terms:

If on the third Business Day prior to any A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date any party other than AIG-FP has failed to deposit the purchase price for any of the Notes with the Trustee in accordance with the procedures specified in Schedule 8 to the Trust Deed, the Trustee shall deliver a notice to such party to cure such failure, and if on the second Business Day prior to any A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date such failure remains uncured, the Trustee shall deliver to AIG-FP (with a copy to the Remarketing Agent and the Collateral Manager) an irrevocable notice of exercise (which may be telephonic or email notice) for such unfunded Notes and AIG-FP shall be required to purchase the Exercised Notes (and the spread applicable to the entire subclass of such Notes will be the Maximum Remarketing Spread); provided that AIG-FP may, at its option, (notified to the Remarketing Agent, the Collateral Manager and the Trustee on the third Business Day prior to the applicable A-1 Medium Term Notes Put Date) in

the event the Notes are being remarketed as A-1 Medium Term Notes or A-1 Long Term Notes, elect to purchase a subclass of A-1 Money Market Notes (any such Notes purchased, the "**Exercised Notes**") with a spread equal to the applicable Maximum Remarketing Spread in replacement of the entire subclass of such A-1 Medium Term Notes or A-1 Long Term Notes, as applicable. If AIG-FP elects this option, the Remarketing Agent, in accordance with the Remarketing Procedures, will notify such purchasers that such Notes are not available for purchase and will instruct the Trustee to return amounts deposited by such purchasers to the Class A-1 Funding Account to them.

The Trustee will deliver to AIG-FP a written confirmation (which shall be by fax or e-mail) confirming the substance of a telephonic notice of exercise within one Business Day provided that failure to provide such written notice will not affect the validity of the telephonic notice.

Settlement Terms: Prior to any termination following a Termination Event described in Section 5(b)(i), Section 5 (b)(ii) or Part 1(j)(iii) of the Schedule, AIG-FP shall provide not less than ten (10) Business Days notice to the Trustee, the Collateral Manager and the Remarketing Agent (and the Trustee shall provide not less than ten (10) Business Days notice to the Holders of Notes) specifying (x) that the A-1 Money Market Notes and the A-1 Medium Term Notes will be remarketed as A-1 Long Term Notes without the benefit of this Put Agreement, with a maturity of the Stated Maturity and at a per annum rate equal to LIBOR plus 0.51% for each Interest Accrual Period after the Termination Remarketing Date (as defined below) through the Stated Maturity and (y) the date (the "**Termination Remarketing Date**," which Termination Remarketing Date must be on or prior to the termination date of this Agreement) on which AIG-FP will deposit to the Class A-1 Funding Account for the benefit of the A-1 Money Market Notes and

A-1 Medium Term Notes the difference between the price received from such sale and par plus accrued interest for such Notes on the date of such sale (the "**Termination Make-Up Amount**"); *provided* that, in AIG-FP's sole discretion in lieu of such a remarketing or after receipt of all of the bids provided in such remarketing, AIG-FP may purchase the Notes at par plus accrued interest on the date set forth in the notice, in accordance with the Trust Deed.

| | |
|---|---|
| Settlement: | Physical Settlement |
| Settlement Date: | The Business Day prior to the A-1 Money Market Notes Extended Remarketing or A-1 Medium Term Notes Put Date immediately following the Exercise Date or, with respect to a Termination Remarketing Date, the Business Day prior to such Termination Remarketing Date. |
| Physical Settlement Terms: | AIG-FP shall deposit the Option Strike Price for the Put Notes into the Class A-1 Funding Account with the Trustee as specified below on the Settlement Date, and on the A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date, as applicable, the Trustee shall cause to be delivered to AIG-FP (or its designee) the Put Notes, through the Clearance System at the account specified below.<br><br>If AIG-FP elects the AIG Paydown Option, AIG-FP shall deposit the Cumulative Shortfall Spread to the Class A-1 Reserve Account on the Settlement Date.<br><br>AIG-FP shall deposit the Option Strike Price for the Exercised Notes into the Class A-1 Funding Account on the Settlement Date, and on the A-1 Money Market Notes Extended Remarketing Date or A-1 Medium Term Notes Put Date, as applicable, the Trustee shall cause to be delivered to AIG-FP (or its designee) the Exercised Notes, |

through the Clearance System at the account specified below.

With respect to a Termination Remarketing Date, AIGFP shall deposit par plus accrued interest for the A-1 Money Market Notes and A-1 Medium Term Notes it is purchasing on the Termination Remarketing Date, if any, plus any Termination Make-Up Amount, if any, into the Class A-1 Funding Account on the Settlement Date and on such Termination Remarketing Date the Trustee shall cause to be delivered to AIG-FP (or its designee) such Notes, if any, purchased by AIG-FP (or its designee) through the Clearance System at the account specified below.

If there is a Settlement Disruption Event that prevents settlement on a day that but for the Settlement Disruption Event would have been the Settlement Date, then the Settlement Date shall be the first succeeding day on which that settlement can take place through the Clearance System, unless a Settlement Disruption Event prevents settlement on each day that the Clearance System is (or, but for the Settlement Disruption Event, would have been) open for business during the period ending 30 calendar days after the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. If a Settlement Date does not occur during such 30 calendar day period, the party required under this Transaction to deliver Exercised Notes shall use best efforts to deliver the Exercised Notes promptly thereafter in a commercially reasonable manner outside the Clearance System on a delivery versus payment basis.

| | |
|---|---|
| Clearance System: | DTC. |
| Settlement Disruption Event: | An event beyond the control of the parties as a result of which the Clearance System cannot clear the transfer of the Notes). |

| | |
|---|---|
| Option Premium Fixed Amounts: | |
| Fixed Amount Payer: | Issuer (pursuant to the Fee Letter). |
| Fixed Amount Payer Payment Date: | Each of the Payment Dates for the Notes. |
| Notional Amount: | For any Calculation Period, the amount equal to the outstanding principal amount of A-1 Money Market Notes and A-1 Medium Term Notes on the first day of such Calculation Period (after giving effect to any payments of principal by the Issuer on such day). |
| Fixed Rate: | The Put Premium Rate: With respect to the A-1 Money Market Notes, 0.23% per annum. With respect to the A-1 Medium Term Notes, (x) 0.03% per annum plus (y) for the Calculation Period beginning on the Payment Date occurring one year prior to the applicable A-1 Medium Term Notes Put Date, 0.08% (up to 0.0533% of the 0.08% will be withdrawn from the Put Counterparty Reserve Account to the extent of funds available therein). |
| Remarketing Fee: | The Issuer shall pay AIG-FP the Remarketing Fee with respect to all A-1 Money Market Notes and Medium Term Notes purchased by it hereunder as long as such Notes continue to be owned by AIG-FP, payable in accordance with the Priority of Payments. |
| AIG-FP Payment Adjustments: | With respect to any Notes purchased by AIG-FP and for so long as AIG-FP owns such Notes, for so long as the applicable Remarketing Spread for such Notes (i) exceeds 0.33% if such Notes are A-1 Money Market Notes or (ii) exceeds 0.50% if such Notes are A-1 Medium Term Notes, AIG-FP shall pay to the Trustee for deposit to the Class A-1 Reserve Account an amount equal to the amount of interest paid to AIG-FP on such A-1 Money Market Notes which exceeds interest on such Notes |

at a spread of 0.33% and 0.50%, respectively, on the date such interest is paid to AIG-FP.

Regardless of the foregoing paragraph but without duplication, if (i) the long-term unsecured senior debt obligations of American International Group, Inc. ("**AIG**") are rated less than "Aa3" by Moody's or less than "AA-" by S&P or (ii) the short-term senior unsecured obligations of AIG-FP are rated less than "P-1" by Moody's or less than "A-1+" by S&P or the short-term unsecured obligations of AIG are rated less than A-1 by S&P, AIG-FP agrees that it shall have no rights to payments of the Maximum Remarketing Spread on A-1 Money Market Notes or A-1 Medium Term Notes purchased by it to the extent of the portion of such Maximum Remarketing Spread which constitutes the basis point equivalent of available funds in the Class A-1 Reserve Account (such portion on the A-1 Notes owned by AIG, the "Spread Reduction Amount), and AIG-FP shall pay the Spread Reduction Amount to the Trustee for deposit to the Class A-1 Reserve Account on the date AIG-FP receives payment of any amount constituting Spread Reduction Amount.

| | |
|---|---|
| Fixed Rate Day Count Fraction: | Actual/360. |
| Calculation Agent: | AIG-FP. |
| Business Days: | As defined in the Trust Deed. |
| Governing Law: | New York law. |
| Documentation: | The Master Agreement. |
| Credit Support Documents: | As set forth in the Master Agreement. |
| Instructions for Payments to AIG-FP: | CHIPS ABA 001 |

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

Instructions for Notices to AIG-FP:

AIG Financial Products Corp.
50 Danbury Road
Wilton, CT 06897-4444
Attention: Chief Financial Officer
(with a copy to the General Counsel at the above address)
Fax: (203) 222-4780

AIG-FP Settlements:

Instructions for Payments to the Trustee:

LaSalle Bank National Association
as Trustee
ABA No. 071000505
A/C #2090067
Ref: Putnam SP CDO 2002-1
Attn: Justin Mead

Instructions for Notices to Trustee:

LaSalle Bank National Association
135 South LaSalle Street, Suite 1625
Chicago, Illinois 60603
Tel: (312) 904-7753
Fax: (312) 904-0524
Email: lasalle.cdo@abnamro.com
Attention: CDO Trust Services Group - Putnam CDO 2002-1 Ltd.

3. Other Terms:

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

(b) Capacity of LaSalle Bank National Association. LaSalle Bank National Association has entered into this Confirmation as Trustee for the benefit of the A-1 Money Market Notes and A-1 Medium Term Notes and not in its individual capacity.

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

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

Very truly yours
AIG Financial Products Corp.

By: _____
Name:
Title: Kathleen M. Turiong
Vice President, Chief Financial Officer
and Treasurer

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By: _____
Name:
Title:

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

Very truly yours
AIG Financial Products Corp.

By: _____
Name:
Title:

Agreed and accepted by
LaSalle Bank National Association,
as Trustee

By: _____
Name:
Title:

Annex A to Put Confirm

The Trustee shall complete the grid below on each Remarketing Date or Put Date for a subclass of A-1 Money Market Notes on A-1 Medium Term Notes, based on information provided by the Remarketing Agent

A-1 Money Market Notes

| | Last Successful Remarketing Date | A-1 Money Market Extended Remarketing Date |
|---|---|---|
| Class A-1MM-a | | |
| Class A-1MM-b | | |
| Class A-1MM-c | | |
| Class A-1MM-d | | |
| Class A-1MM-e | | |

A-1 Medium Term Notes

| | Hold Option Available/ Exercised | Extension Option Available/ Exercised | A-1 Medium Term Notes Put Note | Last Successful Remarketing Date | Next Remarketing Date |
|---|---|---|---|---|---|
| Class A-1MT-a | | | | | |
| Class A-1MT-b | | | | | |
| Class A-1MT-c | | | | | |
| Class A-1MT-d | | | | | |
| Class A-1MT-e | | | | | |