ISDA®

International Swap Dealers Association, Inc.

# INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

Dated as of October 17, 1990

AIG FINANCIAL PRODUCTS CORP. and GOLDMAN SACHS CAPITAL MARKETS, L.P.

have entered and/or anticipate entering into one or more transactions (each a "Swap Transaction"). The parties agree that each Swap Transaction will be governed by the terms and conditions set forth in this document (which includes the schedule (the "Schedule")) and in the documents (each a "Confirmation") exchanged between the parties confirming such Swap Transactions. Each Confirmation constitutes a supplement to and forms part of this document and will be read and construed as one with this document, so that this document and all the Confirmations constitute a single agreement between the parties (collectively referred to as this "Agreement"). The parties acknowledge that all Swap Transactions are entered into in reliance on the fact that this document and all Confirmations will form a single agreement between the parties, it being understood that the parties would not otherwise enter into any Swap Transactions.

Accordingly, the parties agree as follows:–

**1. Interpretation**

(a) ***Definitions.*** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Agreement.

(b) ***Inconsistency.*** In the event of any inconsistency between the provisions of any Confirmation and this document, such Confirmation will prevail for the purpose of the relevant Swap Transaction.

**2. Payments**

(a) ***Obligations and Conditions.***

(i) Each party will make each payment specified in each Confirmation as being payable by it.

(ii) Payments under this Agreement will be made not later than the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency.

(iii) Each obligation of each party to pay any amount due under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing and (2) each other applicable condition precedent specified in this Agreement.

(b) ***Change of Account.*** Either party may change its account by giving notice to the other party at least five days prior to the due date for payment for which such change applies.

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(i) interest on such amounts due and payable by a Defaulting Party will be calculated at the Default Rate; and

(ii) interest on such amounts due and payable by the other party will be calculated at a rate per annum equal to the cost to such other party (as certified by it) if it were to fund such amounts (without proof or evidence of any actual cost); and

(b) in the case of notice of an Early Termination Date given as a result of a Termination Event, interest on such amounts due and payable by either party will be calculated at a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party and regardless of whether due and payable by such party) if it were to fund or of funding such amounts.

Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

IN WITNESS WHEREOF the parties have executed this document as of the date specified on the first page of this document.

AIG FINANCIAL PRODUCTS CORP.
(Name of party)

By: .....

Name: JOSEPH J. CASSANO

Title: VICE PRESIDENT

GOLDMAN SACHS CAPITAL MARKETS, L.P.
(Name of party)

By: GOLDMAN SACHS CAPITAL MARKETS, INC., General Partner

By: .....

Name: Jacob Z. Schuster

Title: Treasurer

**EXHIBIT I**

**Sample Form of Letter Agreement or Telex**

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*Heading for Letter*

[Letterhead of Party A]

[Date]

Swap Transaction

[Name and Address of Party B]

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*Heading for Telex*

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: Swap Transaction

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Dear :

The purpose of this [letter agreement/telex] is to set forth the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Swap Transaction"). This [letter agreement/telex] constitutes a "Confirmation" as referred to in the Interest Rate and Currency Exchange Agreement specified below.

The definitions and provisions contained in the 1987 Interest Rate and Currency Exchange Definitions (as published by the International Swap Dealers Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the Interest Rate and Currency Exchange Agreement dated as of [date] (the "Agreement") between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

[Notional Amount:]

Trade Date:

Effective Date:

Termination Date:

Fixed Amounts:

| | |
|---|---|
| Fixed Rate Payer: | [Party A/B] |
| [Fixed Rate Payer Currency Amount:] | |
| Fixed Rate Payer Payment Dates [or Period End Dates, if Delayed Payment or Early Payment applies]: | , subject to adjustment in accordance with the [Following/ Modified Following/ Preceding] Business Day convention |
| Fixed Amount [or Fixed Rate and Fixed Rate Day Count Fraction]: | |

Floating Amounts:

| | |
|---|---|
| Floating Rate Payer: | [Party B/A] |
| [Floating Rate Payer Currency Amount:] | |
| Floating Rate Payer Payment Dates [or Period End Dates, if Delayed Payment or Early Payment applies]: | , subject to adjustment in accordance with the [Following/ Modified Following/ Preceding] Business Day convention |
| [Floating Rate for initial Calculation Period:] | |
| Floating Rate Option: | |
| Designated Maturity: | |
| Spread: | [Plus/Minus %] [None] |
| Reset Dates: | |
| [Rate Cut-off Dates:] | |
| [Method of Averaging: | Unweighted/Weighted Average Rate] |
| Compounding: | [Applicable/Inapplicable] |
| [Compounding Dates:] | |

[Initial Exchange:

Initial Exchange Date:

Fixed Rate Payer Initial Exchange Amount:

Floating Rate Payer Initial Exchange Amount:

Final Exchange:

Final Exchange Date:

Fixed Rate Payer Final Exchange Amount:

Floating Rate Payer Final Exchange Amount:]

[Business Days for [first currency]:

Business Days for [second currency]:]

Calculation Agent:

[3. agrees to provide the following Credit Support Document [or agrees to provide the following in accordance with [specify Credit Support Document]:]

4. Account Details

Payments to Fixed Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

Payments to Floating Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

[5. Offices

(a) The Office of Fixed Rate Payer for the Swap Transaction is ; and

(b) The Office of Floating Rate Payer for the Swap Transaction is .]

[6. Broker/Arranger:]

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*Closing for Letter Agreement*

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

[Party A]

By: _____

Name:

Title:

Confirmed as of the date first written:

[Party B]

By: _____

Name:

Title:

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*Closing for Telex*

Please confirm that the foregoing correctly sets forth the terms of our agreement by a return telex to [Party A] substantially to the following effect:–

"Re:

We acknowledge receipt of your telex dated [ ] with respect to the above-referenced Swap Transaction between [Party A] and [Party B] with an Effective Date of [ ] and a Termination Date of [ ] and confirm that such telex correctly sets forth the terms of our agreement relating to the Swap Transaction described therein. Very truly yours, [Party B], by [specify name and title of authorized officer]."

Yours sincerely,

[Party A]

By: _____

Name:

Title:

**SCHEDULE**

**to the**

**Interest Rate and Currency Exchange Agreement**

**dated as of October 17, 1990**

**between**

**AIG FINANCIAL PRODUCTS CORP. and GOLDMAN SACHS CAPITAL MARKETS, L.P.**
**("Party A") ("Party B")**

## Part 1
## Termination Provisions

In this Agreement:-

(1) **"Specified Entity"** means in relation to Party A for the purpose of:-

Section 5(a)(iii) and (iv), (vi) and (vii) and Section 5(b)(i), American International Group, Inc.

Section 5(a)(v), American International Group, Inc., AIG Financial Products (UK) Limited, AIG Financial Products (Japan) Limited and any subsidiary of Party A.

and in relation to Party B for the purpose of:-

Section 5(a)(iii) and (iv) and Section 5(b)(i), The Goldman Sachs Group, L.P.

Section 5(a)(v), Goldman, Sachs & Co. and The Goldman Sachs Group, L.P.

Section 5(a)(vi), The Goldman Sachs Group, L.P.

Section 5(a)(vii), The Goldman Sachs Group, L.P.

(2) **"Specified Swap"** means, in lieu of the meaning specified in Section 14, any currency and/or interest rate swap agreement, asset swap, future rate or forward rate agreement, interest cap, collar and/or floor agreement or any combination thereof or other similar transaction between one party to this Agreement (or any applicable Specified Entity with respect to such party) and the other party to this Agreement (or any applicable Specified Entity with respect to such other party).

(3) The **"Cross Default"** provisions of Section 5(a)(vi)
will apply to Party A
will apply to Party B.

If such provisions apply:-

**"Threshold Amount"** means $50,000,000 in United States Dollars or its equivalent in any currency.

**"Specified Indebtedness"** will have the meaning specified in Section 14.

(4) **"Termination Currency"** means United States Dollars.

(5) The **"Credit Event Upon Merger"** provisions of Section 5(b)(iv)
will apply to Party A
will apply to Party B.

(6) Subsection (vii) of Section 5(a) is hereby amended by: (a) adding in the second line thereof after the word "dissolved" and before the semicolon the words "(in the case of Party B or any applicable Specified Entity, as the case may be, other than pursuant to a withdrawal or admission of a partner)"; and (b) inserting in the penultimate line thereof after the word "amalgamation" the following words: ", transfer, reorganization, incorporation, reincorporation, reconstitution,".

(7) The introductory paragraph of Subsection (viii) of Section 5(a) is hereby deleted in its entirety and replaced by the following:-

> The party consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, or reorganizes, incorporates, reincorporates, or reconstitutes into or as, another entity and, at the time of such consolidation, amalgamation, merger, transfer, reorganization, incorporation, reincorporation, or reconstitution:-

(8) In addition to the Events of Default specified in Section 5(a), it will be an Event of Default with respect to Party A if American International Group, Inc. shall consolidate or amalgamate with, or merge into, or transfer all or substantially all its assets to, another entity unless, at the time of such consolidation, amalgamation, merger or transfer the resulting, surviving or transferee entity assumes all the obligations of such party under the Guarantee referred to in Part 4(7)(A) of this Schedule either by operation of law or pursuant to an agreement reasonably satisfactory to Party B.

(9) In addition to the Events of Default specified in Section 5(a), it will be an Event of Default with respect to Party B if The Goldman Sachs Group, L.P. shall consolidate or amalgamate with, or merge into, or transfer all or substantially all its assets to, another entity unless, at the time of such consolidation, amalgamation, merger or transfer the resulting, surviving or transferee entity assumes all the obligations of such party under the Guaranty referred to in Part 4(7)(B) of this Schedule either by operation of law or pursuant to an agreement reasonably satisfactory to Party A.

(10) Subsection (iv) of Section 5(b) is hereby deleted in its entirety and replaced by the following:-

(iv) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in Part 1 of the Schedule as applying to the party, such party ("X") consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, or reorganizes, incorporates, reincorporates, or reconstitutes into or as, another entity, or X otherwise reorganizes or effects a recapitalization, or another entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, or reorganizes, incorporates, reincorporates, or reconstitutes into or as, X, and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of X or the resulting, surviving, or transferee entity (which will be the Affected Party) is materially weaker than that of X immediately prior to such action.

(11) In addition to the events specified in Section 5(b)(iv), it shall also be a "Credit Event Upon Merger" if, in respect of Party A (which will be the Affected Party), American International Group, Inc. ("X") consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, another entity or another entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, X and such action does not constitute an event described in Part 1(8) of this Schedule but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X immediately prior to such action.

(12) In addition to the events specified in Section 5(b)(iv), it shall also be a "Credit Event Upon Merger" if, in respect of Party B (which will be the Affected Party), The Goldman Sachs Group, L.P. ("Y") consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, another entity or another entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, Y and such action does not constitute an event

described in Part 1(9) of this Schedule but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of Y immediately prior to such action.

**Part 2**

**Not Applicable**

**Part 3**

**Documents to be delivered**

For the purpose of Section 4(a):-

(1) Tax forms, documents or certificates to be delivered are:-

(a) Party A agrees to complete (accurately and in a manner reasonably satisfactory to Party B or any Specified Entity thereof), execute, arrange for any required certification of, and deliver to Party B (or any Specified Entity) or such government or taxing authority as Party B (or any Specified Entity) directs, any form or document that may be required or reasonably requested in order to allow Party B (or any Specified Entity) to make a payment under this Agreement (or a Credit Support Document of Party B or any Specified Entity thereof) without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate, promptly upon the earlier of (i) reasonable demand by Party B (or any Specified Entity) or (ii) learning that the form or document previously provided has become obsolete or incorrect.

(b) Pursuant to the terms of the Power of Attorney with respect to Party B referred to in Part 3(2) of this Schedule, the persons who have been named therein as attorneys on behalf of Party B (the "Attorneys-in-Fact") will complete (accurately and in a manner reasonably satisfactory to Party A), execute, arrange for any required certification of, and deliver to Party A (or such government or taxing authority as Party A reasonably directs) any form or document that may be required or reasonably requested in order to allow Party A to make a payment under this Agreement without any deduction or

withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (the "Requested Form or Document") promptly upon the earlier of (i) reasonable demand by Party A or (ii) upon learning that the Requested Form or Document previously provided by any such Attorneys-in-Fact has become obsolete or incorrect; provided, however, that such Attorneys-in-Fact will not be required for purposes of Section 4(a) and this subsection to provide financial information not otherwise required under this Agreement or any other information concerning the assets or operation of Party B or any of its Affiliates which Party B, in its reasonable judgment, views as proprietary in nature other than the identity, residence, and tax status of Party B or any of its Affiliates; provided futher, if Party B fails to provide a reasonably requested form, certificate, or document solely on the basis that it believes that such form, certificate, or document requests information which is proprietary in nature such refusal will constitute a failure by Party B under Section 2(d)(i)(4)(A) to comply with its agreement contained in Section 4(a)(i).

(2) Other documents to be delivered are:-

| **Party required to deliver document** | **Form/Document/ Certificate** | **Date by which to be delivered** | **Covered by Section 3(d) Representation** |
|---|---|---|---|
| Party A: | Guarantee of American International Group, Inc. | At execution | No |
| | Annual Financial Statements of American International Group, Inc. | Upon request | Yes |
| | A copy of a resolution of Party A approving the transactions contemplated by this Agreement and authorizing a | At execution | Yes |

| | | | |
|---|---|---|---|
| | specified person or persons to execute this Agreement | | |
| Party B: | Annual Statement of Financial Condition of The Goldman Sachs Group, L.P. | Upon request | Yes |
| | Guaranty of The Goldman Sachs Group, L.P. | At execution | No |
| | Power of Attorney with respect to Party B | At execution | Yes |

## Part 4

## Miscellaneous

(1) **Transfer.** Section 7 is hereby deleted and replaced in its entirety with the following:-

(a) Subject to Section 6(b) and except as expressly provided herein, neither this Agreement, any interest or obligation in or under this Agreement, nor any Swap Transaction may be transferred by Party B without the prior written consent of Party A (other than pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all of Party B's assets to, or reorganization, incorporation, reincorporation, or reconstitution into or as, another entity), provided that such consent may not be arbitrarily withheld, and any purported transfer without such consent will be void. Party B may transfer the Agreement, any of its interests and obligations in and under the Agreement or one or more Swap Transactions to another of Party B's offices, branches or Affiliates upon two Business Days' prior written notice of the transfer to Party A; provided, however, that (i) if such transfer is to an entity other than The Goldman Sachs Group, L.P., such notice shall be accompanied by a Guaranty of The Goldman Sachs Group, L.P. of such transferee's obligations in substantially the form of the Guaranty of The Goldman Sachs Group, L.P. referred to in Part 4(7)(B) of this Schedule or by an agreement in writing of The Goldman Sachs Group, L.P. that such Guaranty will apply to the obligations of such transferee under this Agreement and (ii) Party A will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to pay to the transferee an amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of

default interest) greater than the amount in respect of which Party A would have been required to pay to Party B in the absence of such transfer and (iii) the transferee will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to withhold or deduct on account of a Tax under Section 2(d)(i) (except in respect of default interest) amounts in excess of that which Party B would, on the next succeeding Scheduled Payment Date, have been required to so withhold or deduct in the absence of such transfer unless it would be required to make additional payments pursuant to Section 2(d)(i)(4) corresponding to such excess and (iv) a Termination Event or Event of Default does not occur as a result of such transfer and (v) with respect to any claim arising out of the Agreement, the transferee irrevocably (1) submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, (2) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating to the Agreement brought in any such court, (3) waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, (4) waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such transferee and (5) appoints as its agent for service of process, a party located in the Borough of Manhattan in New York City. With respect to the result described in subclauses (ii) and (iii), Party B agrees to cause such transferee to make, and Party A agrees to make, such reasonable Payee Tax Representations, Payor Tax Representations, Withholding Tax Representations and Additional Tax Covenants as may be mutually agreed upon by such transferee and Party A in order to permit such other party to determine that such result will not occur after such transfer.

(b) Subject to Section 6(b) and except as expressly provided herein, neither this Agreement, any interest or obligation in or under this Agreement, nor any Swap Transaction may be transferred by Party A without the prior written consent of Party B (other than pursuant to a consolidation or amalgamation with or merger into, or transfer of all or substantially all of Party A's assets to, or reorganization, incorporation, reincorporation, or reconstitution into or as, another entity), provided that such consent may not be arbitrarily withheld and any purported transfer without such consent will be void. Party A may transfer the Agreement, any of its interests and obligations in and under the Agreement or one or more Swap Transactions to another of Party A's offices, branches or Affiliates upon two Business Days' prior written notice of the transfer to Party B; provided, however, that (i) if such transfer is to an entity other than American International Group, Inc., such notice shall be accompanied by a Guarantee of American International Group, Inc. of such transferee's obligations in substantially the form of the Guarantee of American International

Group, Inc. referred to in Part 4(7)(A) of this Schedule or by an agreement in writing of American International Group, Inc. that such Guarantee will apply to the obligations of such transferee under this Agreement and (ii) Party B will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to pay to the transferee an amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of default interest) greater than the amount in respect of which Party B would have been required to pay to Party A in the absence of such transfer and (iii) the transferee will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to withhold or deduct on account of a Tax under Section 2(d)(i) (except in respect of default interest) amounts in excess of that which Party A would, on the next succeeding Scheduled Payment Date, have been required to so withhold or deduct in the absence of such transfer unless it would be required to make additional payments pursuant to Section 2(d)(i)(4) corresponding to such excess and (iv) a Termination Event or Event of Default does not occur as a result of such transfer and (v) with respect to any claim arising out of the Agreement, the transferee irrevocably (1) submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, (2) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating to the Agreement brought in any such court, (3) waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, (4) waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such transferee and (5) appoints as its agent for service of process, a party located in the Borough of Manhattan in New York City. With respect to the result described in subclauses (ii) and (iii), Party A agrees to cause such transferee to make, and Party B agrees to make, such reasonable Payee Tax Representations, Payor Tax Representations, Withholding Tax Representations and Additional Tax Covenants as may be mutually agreed upon by such transferee and Party B in order to permit such other party to determine that such result will not occur after such transfer.

(2) **Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.**

(3) **"Affiliate"** will have the meaning specified in Section 14.

(4) **Multibranch Party.** For the purpose of Section 10:-

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(5) **Addresses for Notices.** For the purpose of Section 12(a):-

Address for notices or communications to Party A:-

Address: 667 Madison Avenue - 21st Floor
New York, New York 10021

Attention: Chief Financial Officer

Telex No: 9102409432 Answerback: AIG FPC

Facsimile No: (212) 486-2184

Address for notices or communications to Party B:-

Address: 85 Broad Street - 27th Floor
New York, New York 10004

Attention: Capital Markets Group

Telex No: 421344 Answerback: GOLSAX

Facsimile No: (212) 902-2424

With a copy to:

Address: 85 Broad Street
New York, New York 10004

Attention: Treasury Administration

Telex No.: 421344 Answerback: GOLSAX

Facsimile No: (212) 363-2799

(6) **Netting of Payments.** If indicated here, "Net Payments - Corresponding Payment Dates" will apply for the purpose of Section 2(c) with effect from the date of this Agreement: -Yes

(7) **Credit Support Documents.**

(A) The Guarantee of American International Group, Inc., substantially in the form of Exhibit A hereto, to be delivered by Party A to Party B.

(B) The Guaranty of The Goldman Sachs Group, L.P., substantially in the form of Exhibit B, to be delivered by Party B to Party A.

## Part 5

## Other Provisions

**Definitions**

(1) This Agreement, each Confirmation and each Swap Transaction are subject to the 1987 Interest Rate and Currency Exchange Definitions (as published by the International Swap Dealers Association, Inc.) (the "Definitions"), and will be governed in all respects by the provisions set forth in the Definitions, without regard to any amendments to the Definitions subsequent to the date thereof. The provisions of the Definitions are incorporated by reference in, and shall be deemed to be part of, this Agreement and each Confirmation, as if set forth in full in this Agreement or in that Confirmation. In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement or the Definitions, such Confirmation will prevail for the purpose of the relevant Swap Transaction.

**Effective Date**

(2) This Agreement is deemed to have come into effect on October 17, 1990.

**Calculation Agent**

(3) The Calculation Agent will be Party A.

**Annual Financial Statements**

(4) "Annual Financial Statements" means, in respect of American International Group, Inc., a copy of the annual report of such party containing audited consolidated financial statements for such party's fiscal year, and "Annual Statement of Financial Condition" means, in respect of The Goldman Sachs Group, L.P., a copy of the audited Annual Statement of Financial Condition for such party's fiscal year, in both cases certified by independent certified public accountants and prepared in accordance with accounting principles that are generally accepted in the country in which the party is organized and on a basis consistent with prior periods.

**Procedures for Entering into Swap Transactions**

(5) With respect to each Swap Transaction entered into pursuant hereto, Party A shall, on or promptly after the Trade Date thereof, send Party B a Confirmation substantially in the form of Exhibit 1 confirming such Swap Transaction and Party B

shall promptly thereafter confirm the accuracy of or request the correction of such Confirmation.

**Modification of Agreement - Cross Default**

(6) Section 5(a)(vi) of the Agreement is hereby modified by deleting the following phrase from the sixth line thereof... ", or becoming capable at such time of being declared,".

**Two-Way Paments**

(7) For purposes of calculating payments due in respect of an Early Termination Date (including any payments under Section 6(d) and any Unpaid Amounts), an Event of Default specified in Section 5(a) or in this Schedule will be treated as if it were a Termination Event with the Defaulting Party as the Affected Party (and for such purposes the proviso to the definition of "Settlement Amount" will be deemed to be of no force and effect).

**Caps and Options**

(8) The May 1989 Addendum to Schedule to Interest Rate and Currency Exchange Agreement (the "Cap Addendum") and the July 1990 Addendum to Schedule to Interest Rate and Currency Exchange Agreement (the "Swaption Addendum"), both as published by ISDA are hereby incorporated herein by this reference and made a part of this Agreement to the same extent as if such Addenda were set forth in full herein.

**Notices**

(9) Section 12(a) is hereby amended by: (a) adding in the fourth line thereof (i) after the word "received)" the words "or by facsimile or similar telecommunications device" and (ii) after the word "telex" the words "or facsimile"; and (b) adding in the first line of Clause (i) thereof after the word "courier" and before the comma the words "or by facsimile or similar telecommunications device".

**Absence of Litigation**

(10) Section 3(c) is hereby amended by: (a) deleting in the third line thereof the words "purports to draw into question, or" and the comma after the word "affect"; and (b) limiting the definition of "Affiliate" for purposes of this representation to such Affiliates, if any, as may be Specified Entities for purposes of Section 5(a)(iii).

IN WITNESS WHEREOF, the parties have executed this document as of the date specified on the first page hereof.

AIG FINANCIAL PRODUCTS CORP.

By_____
Name: JOSEPH J. CASSANO
Title: VICE PRESIDENT

GOLDMAN SACHS CAPITAL MARKETS, L.P.

By: Goldman Sachs Capital Markets, Inc., General Partner

By_____
Name: Jacob Z. Schuster
Title: Treasurer

EXHIBIT A

GUARANTEE OF AMERICAN INTERNATIONAL GROUP, INC.

Guarantee, dated as of October 17, 1990, by American International Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Goldman Sachs Capital Markets, L.P., a limited partnership organized and existing under the laws of Delaware ("Counterparty").

1. Guarantee. To induce Counterparty to enter into an Interest Rate and Currency Exchange Agreement dated the date hereof (the "Swap Agreement") with AIG Financial Products Corp., a Delaware corporation ("AIG-FP"), the Guarantor unconditionally and irrevocably guarantees to Counterparty, its successors, endorsers and assigns, the prompt payment when due, subject to any applicable grace period, of all present and future obligations and liabilities of all kinds of AIG-FP to Counterparty arising out of the Swap Agreement (the "Obligations").

2. Absolute Guarantee. The Guarantor's obligations hereunder shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guarantee. Counterparty makes no representation or warranty in respect of any such circumstance and has no duty or responsibility whatsoever to the Guarantor in respect to the management and maintenance of the Obligations or any collateral therefor. Counterparty shall not be obligated to file any claim relating to the Obligations in the event that AIG-FP becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of Counterparty so to file shall not affect the Guarantor's obligations hereunder. In the event that any payment of AIG-FP in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made.

3. Consents, Waivers and Renewals. The Guarantor agrees that Counterparty may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of, exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with AIG-FP or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for

any modification of the terms thereof or of any agreement between Counterparty and AIG-FP or any such other party or person, without in any way impairing or affecting this Guarantee. The Guarantor agrees that Counterparty may resort to the Guarantor for payment of any of the Obligations, whether or not Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

4. Expenses. The Guarantor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Counterparty's counsel) in any way relating to the enforcement or protection of the rights of Counterparty hereunder and further agrees that the aforementioned collateral secures such payment; provided, that the Guarantor shall not be liable for any expenses of Counterparty if no payment under this Guarantee is due.

5. Subrogation. The Guarantor will not exercise any rights which it may acquire by way of subrogation until all the Obligations to Counterparty shall have been paid in full. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be credited and applied to the Obligations, whether matured or unmatured. Subject to the foregoing, upon payment of all the Obligations, the Guarantor shall be subrogated to the rights of Counterparty against AIG-FP, and Counterparty agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

6. Continuing Guarantee. This Guarantee is absolute and unconditional and shall remain in full force and effect and be binding upon the Guarantor, its successors and assigns until all of the Obligations have been satisfied in full. If any of the present or future Obligations are guaranteed by persons, partnerships or corporations in addition to the Guarantor, the death, release or discharge, in whole or in part, or the bankruptcy, liquidation or dissolution of one or more of them shall not discharge or affect the liabilities of the Guarantor under this Guarantee.

7. No Waiver; Cumulative Rights. No failure on the part of Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Counterparty from time to time.

8. Waiver of Notice. The undersigned waives notice of the acceptance of this Guarantee and of the making of any loans or extensions of credit to AIG-FP, presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. Representations and Warranties.

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power to execute, deliver and perform this Guarantee.

(b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of the Guarantor's certificate of incorporation or by-laws, as amended to date, or any law, regulation, rule, decree, order, judgment or contractual restriction binding on the Guarantor or its assets.

(c) All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee.

(d) This Guarantee constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

10. Assignment. Neither the Guarantor nor the Counterparty may assign its rights, interest or obligations hereunder to any other person without the prior written consent of the Guarantor or the Counterparty, as the case may be; provided, however, that the Counterparty may assign its rights, interests and obligations hereunder to an assignee or transferee to which it has transferred its interests and obligations under the Swap Agreement pursuant to Section 6(b) or Section 7 thereof.

**11. Governing Law. This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed within such State.**

IN WITNESS WHEREOF, this Guarantee has been duly executed and delivered by the Guarantor to Counterparty as of the date first above written.

AMERICAN INTERNATIONAL GROUP, INC.

By_____

By_____

EXHIBIT B

October 17, 1990
AIG Financial Products Corp.
667 Madison Avenue - 21st Floor
New York, NY 10021
Attention: Chief Financial Officer

Gentlemen:

For value received, The Goldman Sachs Group, L.P. (the "Guarantor"), a limited partnership duly organized under the law of Delaware, hereby unconditionally guarantees the prompt and complete payment when due, whether by acceleration or otherwise, of all obligations and liabilities, whether now in existence or hereafter arising, of Goldman Sachs Capital Markets, L.P., a subsidiary of the Guarantor and a partnership duly organized under the law of Delaware ("GSCM"), to AIG Financial Products Corp. (the "Counterparty") arising out of or under the Interest Rate and Currency Exchange Agreement dated as of October 17, 1990 between GSCM and the Counterparty (the "Obligations"). This Guaranty is one of payment and not of collection.

The Guarantor hereby waives notice of acceptance of this Guaranty and notice of the Obligations, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of the Obligations, suit, or the taking of other action by the Counterparty against GSCM, the Guarantor, or others.

The Counterparty may, at any time and from time to time without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) make any change in the terms of the Obligations; (2) take or fail to take any action of any kind in respect of any security for the Obligations; (3) exercise or refrain from exercising any rights against GSCM or others in respect of the Obligations; or (4) compromise or subordinate the Obligations, including any security therefor. Any other suretyship defenses are hereby waived by the Guarantor.

This Guaranty shall continue in full force and effect until the opening of business on the fifth business day after the Counterparty receives written notice of termination from the Guarantor. It is understood and agreed, however, that notwithstanding any such termination, this Guaranty shall continue in full force and effect with respect to all Obligations which shall have been incurred prior to such termination.

The obligations of the Guarantor under this Guaranty shall be without recourse to any partner of the Guarantor, and no general or limited partner of the Guarantor, or of any assignee which is a resulting, surviving, or transferee entity to substantially all the assets and business of the Guarantor, shall have any personal liability under this Guaranty, and any judgment taken or rendered against the Guarantor or any such assignee under this Guaranty or related thereto shall be enforceable only against the property of the Guarantor or such assignee.

The Guarantor may transfer this Guarantee to any resulting, surviving, or transferee entity pursuant to the Guarantor's consolidation or amalgamation with, or merger into, or transfer of all or substantially all its assets to, or reorganization, incorporation, reincorporation, or reconstitution into or as, another entity.

This Guaranty shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York. The Guarantor and the Counterparty jointly and severally agree to the exclusive jurisdiction of the courts of the State of New York and of the United States of America located in the Borough of Manhattan, City, County, and State of New York, over any disputes arising out of or relating to this Guaranty.

Very truly yours,

THE GOLDMAN SACHS GROUP, L.P.

By: _____
Name:
Title:

ON THIS _____ DAY OF _____, 19__, BEFORE ME PERSONALLY CAME _____, WHOSE SIGNATURE APPEARS ABOVE, A GENERAL PARTNER OF THE GOLDMAN SACHS GROUP, L.P., TO ME KNOWN AND KNOWN TO ME TO BE A MEMBER OF SAID FIRM.

_____
NOTARY PUBLIC

# International Swap Dealers Association, Inc.

## May 1989 Addendum to Schedule to Interest Rate and Currency Exchange Agreement

## Interest Rate Caps, Collars and Floors

(1) As used in this Agreement or in a Confirmation, (i) "Rate Protection Transaction" will mean any Swap Transaction that is identified in the related Confirmation as a Rate Protection Transaction, Rate Cap Transaction, Rate Floor Transaction or Rate Collar Transaction and (ii) "Specified Swap" means, notwithstanding Section 14 of this Agreement but subject to Part 1 of this Schedule, any rate swap, rate cap, rate floor, rate collar, currency exchange transaction, forward rate agreement, or other exchange or rate protection transaction, or any combination of such transactions or agreements or any option with respect to any such transaction now existing or hereafter entered into between one party to this Agreement (or any applicable Specified Entity) and the other party to this Agreement (or any applicable Specified Entity).

(2) Notwithstanding anything to the contrary in this Agreement or in any Interest Rate and Currency Exchange Definitions published by the International Swap Dealers Association, Inc. and incorporated in any Confirmation, the following provisions will apply with respect to a Rate Protection Transaction:

(a) the Floating Rate applicable to any Calculation Period will be (i) with respect to a Floating Rate Payer for which a Cap Rate is specified, the excess, if any, of the Floating Rate calculated as provided in this Agreement (without reference to this paragraph 2(a)) over the Cap Rate and (ii) with respect to a Floating Rate Payer for which a Floor Rate is specified, the excess, if any, of the Floor Rate over the Floating Rate calculated as provided in this Agreement (without reference to this paragraph 2(a));

(b) "Cap Rate" means, in respect of any Calculation Period, the per annum rate specified as such for that Calculation Period; and

(c) "Floor Rate" means, in respect of any Calculation Period, the per annum rate specified as such for that Calculation Period.

(3) For purposes of the determination of a Market Quotation for a Terminated Transaction in respect of which a party ("X") had, immediately prior to the designation or occurrence of the relevant Early Termination Date, no future payment obligations, whether absolute or contingent, under Section 2(a)(i) of this Agreement with respect to the Terminated Transaction, (i) the quotations obtained from Reference Market-makers shall be such as to preserve the economic equivalent of the payment obligations of the party ("Y") that had, immediately prior to the designation or occurrence of the relevant Early Termination Date, future payment obligations, whether absolute or contingent, under Section 2(a)(i) of this Agreement with respect to the Terminated Transaction and (ii) if X is making the determination such amounts shall be expressed as positive amounts and if Y is making the determination such amounts shall be expressed as negative amounts.

(4) Notwithstanding the terms of Sections 5 and 6 of this Agreement, if at any time and so long as one of the parties to this Agreement ("X") shall have satisfied in full all its payment obligations under Section 2(a)(i) of this Agreement and shall at the time have no future payment obligations, whether absolute or contingent, under such Section, then unless the other party ("Y") is required pursuant to appropriate proceedings to return to X or otherwise returns to X upon demand of X any portion of any such payment, (a) the occurence of an event described in Section 5(a) of this Agreement with respect to X or any Specified Entity of X shall not constitute an Event of Default or a Potential Event of Default with respect to X as the Defaulting Party and (b) Y shall be entitled to designate an Early Termination Date pursuant to Section 6 of this Agreement only as a result of the occurrence of a Termination Event set forth in (i) either Section 5(b)(i) or 5(b)(ii) of this Agreement with respect to Y as the Affected Party or (ii) Section 5(b)(iii) of this Agreement with respect to Y as the Burdened Party.

# International Swap Dealers Association, Inc.

## July 1990 Addendum to Schedule to Interest Rate and Currency Exchange Agreement

## Options

(1) As used in this Agreement or in any Confirmation, "Option" means any Swap Transaction that is identified in the related Confirmation as an Option and provides for the grant by Seller to Buyer of (i) the right to cause an underlying Swap Transaction, the terms of which are identified in that Confirmation (an "Underlying Swap Transaction"), to become effective, (ii) the right to cause Seller to pay Buyer pursuant to Section 2(a)(i) of this Agreement the Cash Settlement Amount, if any, in respect of the Underlying Swap Transaction on the Cash Settlement Payment Date, (iii) the right to cause the Optional Termination Date to become the Termination Date and, if so specified in the related Confirmation, the Final Exchange Date of the related Swap Transaction that is identified in that Confirmation (a "Related Swap Transaction") or (iv) any other right or rights specified in the related Confirmation. An Option may provide for the grant of one or more of the foregoing rights, all of which can be identified in a single Confirmation.

(2) The following capitalized terms, if used in relation to an Option, have the respective meanings specified in or pursuant to the related Confirmation (or elsewhere in this Agreement): "Buyer", "Seller", "Option Premium", "Option Premium Payment Date", "Cash Settlement Payment Date", "Cash Settlement Amount", "Optional Termination Date", "Exercise Terms" and "Option Exercise Period".

(3) The following provisions will apply with respect to an Option:

(a) Buyer will pay Seller pursuant to Section 2(a)(i) of this Agreement the Option Premium, if any, on the Option Premium Payment Date or Dates.

(b) On the terms set forth in this Agreement (including the related Confirmation), Seller grants to Buyer pursuant to the Option, (i) if "Physical Settlement" is specified to be applicable to the Option, the right to cause the Underlying Swap Transaction to become effective, (ii) if "Cash Settlement" is specified to be applicable to the Option, the right to cause Seller to pay Buyer pursuant to Section 2(a)(i) of this Agreement the Cash Settlement Amount, if any, in respect of the Underlying Swap Transaction on the Cash Settlement Payment Date or (iii) if "Optional Termination" is specified to be applicable to the Option, the right to cause the Optional Termination Date to become the Termination Date and, if so specified in the related Confirmation, the Final Exchange Date of the Related Swap Transaction. The Underlying Swap Transaction, if any, shall not become effective unless (i) "Physical Settlement" is specified to be applicable to the Option and (ii) the right to cause that Underlying Swap Transaction to become effective has been exercised.

(c) Buyer may exercise the right or rights granted pursuant to the Option only by delivering irrevocable notice (a "Notice of Exercise") to Seller (which, notwithstanding any other provision of this Agreement, may be delivered orally (including by telephone)). The Notice of Exercise must become effective during the Option Exercise Period and must include the Exercise Terms, if any.

(d) Buyer will, if "Written Confirmation" is specified to be applicable to the Option or upon demand from Seller (which, notwithstanding any other provision of this Agreement, may be delivered orally (including by telephone)), (i) execute a written confirmation confirming the substance of the Notice of Exercise and deliver the same to Seller or (ii) issue a telex to Seller setting forth the substance of the Notice of Exercise. Buyer shall cause such executed written confirmation or telex to be received by Seller within one Local Banking Day following the date that the Notice of Exercise or Seller's demand, as the case may be, becomes effective. If not received within such time, Buyer will be deemed to have satisfied its obligations under the immediately preceding sentence at the time that such executed written confirmation or telex becomes effective.

(e) Any notice or communication given, and permitted to be given, orally (including by telephone) in connection with the Option will be effective when actually received by the recipient.

(4) For purposes of the determination of a Market Quotation for a Terminated Transaction that is identified as an Option, the quotations obtained from Reference Market-makers shall take into account, as of the relevant Early Termination Date, the economic equivalent of the right or rights granted pursuant to that Option which are or may become exercisable.

(5) Notwithstanding the terms of Sections 5 and 6 of this Agreement, if at any time and so long as one of the parties to this Agreement ("X") shall have satisfied in full all its payment obligations under Section 2(a)(i) of this Agreement and shall at the time have no future payment obligations, whether absolute or contingent, under such Section, then unless the other party ("Y") is required pursuant to appropriate proceedings to return to X or otherwise returns to X upon demand of X any portion of any such payment, (a) the occurrence of an event described in Section 5(a) of this Agreement with respect to X or any Specified Entity of X shall not constitute an Event of Default or a Potential Event of Default with respect to X as the Defaulting Party and (b) Y shall be entitled to designate an Early Termination Date pursuant to Section 6 of this Agreement only as a result of the occurrence of a Termination Event set forth in (i) either Section 5(b)(i) or 5(b)(ii) of this Agreement with respect to Y as the Affected Party or (ii) Section 5(b)(iii) of this Agreement with respect to Y as the Burdened Party.

# FORM OF AMENDMENT
# TO INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

dated as of May 6, 1998,

**AIG FINANCIAL PRODUCTS CORP. and GOLDMAN SACHS CAPITAL MARKETS, L.P.**
(Party A) (Party B)

have previously entered into that certain ISDA Master Agreement, dated as of October 17, 1990 (the "Agreement"), which Agreement includes the Schedule and all Confirmations exchanged between the parties confirming the Transactions thereunder. The parties have now agreed to amend the Agreement by this Amendment (this "Amendment").

Accordingly, the parties agree as follows:-

**1. Amendment of the Agreement**

Upon execution of this Amendment by both parties, the Agreement shall be and hereby is amended to add the 1994 ISDA Credit Support Annex attached hereto (the "Annex") as part of the Schedule and a Credit Support Document with respect to each party.

As used in the Agreement (including any Confirmation relating thereto), as amended by this Amendment, the terms "ISDA Master Agreement", "this Master Agreement", "Agreement", this Agreement", "herein", "hereinafter", "hereof", hereto" and other words of similar import shall mean the Agreement as amended hereby, unless the context otherwise specifically requires.

**2. Part 1 Termination Provisions** is hereby amended by adding the following:

"(13) In addition to the events specified in Part 5(b) Termination Events, it will be an Additional Termination Event if American International Group, Inc. (in which case Party A will be the sole Affected Party) or The Goldman Sachs Group, L.P. (in which case Party B will be the sole Affected Party) has one or more outstanding issues of rated senior, unsecured, unsubordinated debt ("Debt Securities") and it fails to have at least one such issue with a rating of a least (A)(i) Baa1 or higher as determined by Moody's Investors Service, Inc.; (ii) BBB+ or higher as determined by Standard & Poor's Corporation or (iii) an equivalent investment grade rating determined by a nationally-recognized rating service acceptable to both parties or (B) does not have any outstanding issues of rated Debt Security

## 3. Representations

Each party represents to the other party that all representations contained in the Agreement (including all representations set forth in the Annex) are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

## 4. Miscellaneous

(a) **Definitions.** Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.

(b) **Entire Agreement**. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Counterparts.** This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(d) **Headings.** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) **Governing Law**. This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

**IN WITNESS WHEREOF** the parties have executed this Amendment on the respective dates specified below with effect from the date specified on the first page of this Amendment.

**GOLDMAN SACHS CAPITAL MARKETS, L.P.**

By: Goldman Sachs Capital Markets, L.P.
General Partner

By: _____
Name: DAVID VINIAR
Title: Treasurer
Date: May 28, 1998

**AIG FINANCIAL PRODUCTS CORP.**

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

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(Bilateral Form) (ISDA Agreements Subject to New York Law Only)

# ISDA®

International Swaps and Derivatives Association, Inc.

# CREDIT SUPPORT ANNEX

to the Schedule to the

Interest Rate and Currency Exchange Agreement

dated as of October 17, 1990

between

AIG Financial Products Corp. and Goldman Sachs Capital Markets, L.P.

("Party A") ("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:—

**Paragraph 1. Interpretation**

(a) *Definitions and Inconsistency.* Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) *Secured Party and Pledgor.* All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

**Paragraph 2. Security Interest**

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

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**Paragraph 3. Credit Support Obligations**

(a) ***Delivery Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "***Delivery Amount***" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) ***Return Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "***Return Amount***" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"***Credit Support Amount***" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

**Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions**

(a) ***Conditions Precedent.*** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) ***Transfer Timing.*** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) ***Calculations.*** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).



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(d) *Substitutions.*

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

**Paragraph 5. Dispute Resolution**

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.



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**Paragraph 6. Holding and Using Posted Collateral**

(a) *Care of Posted Collateral.* Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) *Eligibility to Hold Posted Collateral; Custodians.*

(i) *General.* Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) *Failure to Satisfy Conditions.* If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) *Liability.* The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) *Use of Posted Collateral.* Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) *Distributions and Interest Amount.*

(i) *Distributions.* Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) *Interest Amount.* Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

**Paragraph 7. Events of Default**

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;

(ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or

(iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

**Paragraph 8. Certain Rights and Remedies**

(a) *Secured Party's Rights and Remedies.* If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;

(iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.



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(b) *Pledgor's Rights and Remedies.* If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) *Deficiencies and Excess Proceeds.* The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) *Final Returns.* When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

**Paragraph 9. Representations**

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

**Paragraph 10. Expenses**

(a) *General.* Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) *Posted Credit Support.* The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) *Liquidation/Application of Posted Credit Support.* All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

**Paragraph 11. Miscellaneous**

(a) *Default Interest.* A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) *Further Assurances.* Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) *Further Protection.* The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) *Good Faith and Commercially Reasonable Manner.* Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) *Demands and Notices.* All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) *Specifications of Certain Matters.* Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.



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**Paragraph 12. Definitions**

As used in this Annex:—

"*Cash*" means the lawful currency of the United States of America.

"*Credit Support Amount*" has the meaning specified in Paragraph 3.

"*Custodian*" has the meaning specified in Paragraphs 6(b)(i) and 13.

"*Delivery Amount*" has the meaning specified in Paragraph 3(a).

"*Disputing Party*" has the meaning specified in Paragraph 5.

"*Distributions*" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"*Eligible Collateral*" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"*Eligible Credit Support*" means Eligible Collateral and Other Eligible Support.

"*Exposure*" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"*Independent Amount*" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"*Interest Amount*" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

(x) the amount of that Cash on that day; multiplied by

(y) the Interest Rate in effect for that day; divided by

(z) 360.

"*Interest Period*" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"*Interest Rate*" means the rate specified in Paragraph 13.

"*Local Business Day*", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.



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"*Minimum Transfer Amount*" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"*Notification Time*" has the meaning specified in Paragraph 13.

"*Obligations*" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"*Other Eligible Support*" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"*Other Posted Support*" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"*Pledgor*" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"*Posted Collateral*" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"*Posted Credit Support*" means Posted Collateral and Other Posted Support.

"*Recalculation Date*" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however*, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"*Resolution Time*" has the meaning specified in Paragraph 13.

"*Return Amount*" has the meaning specified in Paragraph 3(b).

"*Secured Party*" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"*Specified Condition*" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"*Substitute Credit Support*" has the meaning specified in Paragraph 4(d)(i).

"*Substitution Date*" has the meaning specified in Paragraph 4(d)(ii).

"*Threshold*" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"*Transfer*" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.



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"*Valuation Agent*" has the meaning specified in Paragraph 13.

"*Valuation Date*" means each date specified in or otherwise determined pursuant to Paragraph 13.

"*Valuation Percentage*" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"*Valuation Time*" has the meaning specified in Paragraph 13.

"*Value*" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.



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# CREDIT SUPPORT ANNEX

**to the Schedule to the**

**Interest Rate and Currency Exchange Agreement**

**dated as of October 17, 1990**

**between**

| | | |
|---|---|---|
| **Goldman Sachs Capital Markets, L.P. ("Party B")** | **and** | **AIG Financial Products Corp. ("Party A")** |

**Paragraph 13. Elections and Variables**

(a) **Security Interest for "Obligations".** The term "Obligations" as used in this Annex includes the following additional obligations:

With respect to Party A: Not Applicable.

With respect to Party B: Not Applicable.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) **"Delivery Amount"** has the meaning specified in Paragraph 3(a).

(B) **"Return Amount"** has the meaning specified in Paragraph 3(b).

(C) **"Credit Support Amount"** has the meaning specified in Paragraph 3, except that if an Independent Amount is specified for a party, the Credit Support Amount for such party shall never be less than the Independent Amount.

(ii) **Eligible Collateral.** The following items will qualify as "Eligible Collateral" for the party specified:

| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (A) | Cash | [X] | [X] | 100% |
| (B) | negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of not more than one year ("Treasury Bills") | [X] | [X] | 100% |
| (C) | negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of more than one year but not more than 10 years ("Treasury Notes") | [X] | [X] | 100% |
| (D) | negotiable debt obligations issued by the U.S Treasury Department having an original maturity at issuance of more than 10 years ("Treasury Bonds") | [X] | [X] | 100% |
| (E) | negotiable debt obligations which are issued and/or guaranteed as to both principal and Interest by the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), or the Government National Mortgage Association ("GNMA"), including mortgage-backed securities, collateralized mortgage obligations and REMICs (collectively, "Agency Securities"), but excluding | [X] | [X] | 95% |

interest only securities, principal only securities and residual interests.

(iii) **Other Eligible Support.** The following items will qualify as "Other Eligible Support" for the party specified: none.

(iv) **Thresholds.**

(A) **"Independent Amount"** means with respect to Party A: None, unless otherwise agreed to in writing by Party A and Party B.

**"Independent Amount"** means with respect to Party B: None, unless otherwise agreed to in writing by Party A and Party B.

(B) **"Threshold"** means with respect to Party A: See Table I attached hereto.

**"Threshold"** means with respect to Party B: See Table I attached hereto.

(C) **"Minimum Transfer Amount"** means with respect to a party, $100,000; provided, however, that if an Event of Default has occurred and is continuing with respect to a party, the Minimum Transfer Amount with respect to such party shall be zero provided, further, however, that if a Secured Party is holding Posted Credit Support and the Credit Support Amount for that Secured Party is, or is deemed to be zero at the time and, but for its Minimum Transfer Amount, that Secured Party would be required to make a Transfer to the Pledgor under Paragraph 3(b), the Minimum Transfer Amount for that Secured Party will be zero.

(D) **Rounding.** The Delivery Amount and Return Amount will be rounded up and down, respectively, to the nearest integral multiple of $10,000.

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3; for purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable; and for purposes of Paragraph 4(d), the Secured Party for purposes of

calculating the Value in connection with substitutions.

(ii) **"Valuation Date"** means each New York Banking Day.

(iii) **"Valuation Time"** means the close of business in the city of the Valuation Agent on the Local Business Day before the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means no later than 1:00 p.m., New York time, on a Local Business Day; provided, however, that the Valuation Agent will only give notice of its calculations to a party upon request by such party.

(d) **Conditions Precedent and Secured Party's Rights and Remedies.** The following Termination Event(s) will be a "Specified Condition" for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party): With respect to Party A and Party B, Credit Event Upon Merger, Additional Termination Event and Illegality.

(e) **Substitution.**

(i) **"Substitution Date"** has the meaning specified in Paragraph 4(d)(ii).

(ii) **Consent.** The Pledgor is not required to obtain the Secured Party's consent for any substitutions pursuant to Paragraph 4(d).

(f) **Dispute Resolution.**

(i) **"Resolution Time"** means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 5.

(ii) **"Value"**. For the purpose of Paragraph 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows:

(A) The Value of Cash will be the face amount thereof, multiplied by the applicable Valuation Percentage.

(B) With respect to any Treasury Bills, Treasury Notes, Treasury Bonds or Agency Securities (referred to herein as "Securities"), the sum of (I) (x) the mean of the high bid and low asked prices quoted on such

date by any principal market maker for such Securities chosen by the Disputing Party, or (y) if no quotations are available from a principal market maker on such date, the mean of such high bid and low asked prices as of the day, next preceding such date, on which such quotations were available, plus (II) the accrued interest on such Securities (except to the extent Transferred to a party pursuant to any applicable provision of this Agreement or included in the applicable price referred to in (I) of this clause (B)) as of such date, multiplied by the applicable Valuation Percentage.

(iii) **"Alternative"**. The provisions of Paragraph 5 will apply.

(g) **Holding and Using Posted Collateral.**

(i) **Eligibility to Hold Posted Collateral; Custodians.** Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b), provided that the following conditions applicable to it are satisfied:

(A) Party B is not a Defaulting Party.

(B) No Specified Condition has occurred and is continuing with respect to Party B.

(C) Posted Collateral is held only in the United States.

(D) The Custodian is a party acceptable to Party A; provided, however, that, the Custodian shall be deemed acceptable if it has assets of at least $10 billion and a long-term debt or deposit rating of at least Baa2 from Moody's Investor Services and BBB from Standard and Poor's Corporation.

Initially, the Custodian for Party B is Bank of New York via an account held through Goldman, Sachs & Co.

Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b), provided that the following conditions applicable to it are satisfied:

(A) Party A is not a Defaulting Party.

(B) No Specified Condition has occurred and is continuing with respect to Party A.

(C) Posted Collateral is held only in the United States.

(D) The Custodian is a party acceptable to Party B; provided, however, that, the Custodian shall be deemed acceptable if it has assets of at least $10 billion and a long-term debt or deposit rating of at least Baa2 from Moody's Investor Services and BBB from Standard and Poor's Corporation.

The Custodian for Party A is to be provided in writing by Party A.

(ii) **Use of Posted Collateral.** The provisions of Paragraph 6(c) will apply to Party A and Party B.

(h) **Distributions and Interest Amount.**

(i) **Interest Rate.** The "Interest Rate" will be the overnight LIBOR rate in effect for such day as set forth opposite the caption "O/N" under the headings "Euro-Dollar" and "Ask" on Telerate Page 4756 as of 11:00 a.m., New York time, on such day.

(ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b).

(iii) **Alternative to Interest Amount.** Not Applicable.

(i) **Additional Representations.** none

(j) **Other Eligible Support and Other Posted Support.**

(i) **"Value"** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(ii) **"Transfer"** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(k) **Demands and Notices.**

All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of this Agreement, unless otherwise specified here:

| | |
|---|---|
| With respect to Party B: | 85 Broad Street<br>New York, New York 10004<br>Tel.: (212) 902-5774/0252<br>Fax: (212) 902-0996<br>Attn: Swap Operations |
| With respect to Party A: | 100 Nyala Farm<br>Westport, CT 06880<br>Fax: 203-222-4780<br>Attn: Chief Financial Officer<br>With a copy to the General Counsel<br>at the same address and fax number |

(l) **Addresses for Transfers.**

Party A: To be specified by Party A in writing.

Party B: To be specified by Party B in writing.

(m) **Other Provisions:**

(i) **"Business Day".** All references to "Local Business Day" in this Annex have the meaning specified for the term "Business Day" in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

(ii) **"Exposure".** The definition of "Exposure" in this Annex is modified to change the reference to 6(e)(ii)(2)(A) to be a reference to Section 6(e)(ii), with the determination of "Settlement Amount" to be made on the basis of paragraph (a) thereof.

**IN WITNESS WHEREOF** the parties have executed this Annex as of the date specified on the first page hereof.

**GOLDMAN SACHS CAPITAL MARKETS, L.P.**

By: Goldman Sachs Capital Markets, Inc.,
General Partner

By: _____
Name: DAVID VINIAR
Title: Treasurer

**AIG FINANCIAL PRODUCTS CORP.**

By: _____
Name:
Title: Kathleen M. Furlong
Vice President, Chief [illegible] Officer
and Treasurer

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## TABLE I: PARTY A AND PARTY B THRESHOLDS

"Threshold" means with respect to Party A and Party B, the amount determined on the basis of the lower of the Long Term Debt Ratings in the Table set forth below; provided, however, that if (i) a party has no Long Term Debt Ratings or (ii) an Event of Default has occurred and is continuing with respect to such party, such party's Threshold shall be zero.

| S&P | Moody's | $ Threshold |
|---|---|---|
| AAA | Aaa | 100,000,000 |
| AA+ | Aa1 | 75,000,000 |
| AA | Aa2 | 75,000,000 |
| AA- | Aa3 | 75,000,000 |
| A+ | A1 | 50,000,000 |
| A | A2 | 50,000,000 |
| A- | A3 | 50,000,000 |
| BBB+ | Baa1 | 0 |
| BBB | Baa2 | 0 |
| BBB- | Baa3 | 0 |
| below BBB- | below Baa3 | 0 |

As used above:

**"Long Term Debt Ratings"** means the rating assigned by either S&P or Moody's to the long-term, unsecured, unsubordinated indebtedness of the Credit Support Provider of Party B or the Credit Support Provider of Party A, as the case may be.

**"S&P"** mean Standard & Poor's Rating Group, a division of McGraw-Hill, Inc., including any official successor to S&P.

**"Moody's"** means Moody's Investors Service, Inc. including any official successor to Moody's.

**"Credit Support Provider of Party B"** means The Goldman Sachs Group, L.P.

**"Credit Support Provider of Party A"** means American International Group, Inc.

**AMENDMENT TO THE INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT AND CREDIT SUPPORT ANNEX DATED AS OF OCTOBER 17, 1990**

This amendment dated as of March 28, 2001, between AIG Financial Products Corp. (the "Counterparty") and Goldman Sachs Capital Markets, L.P. ("GSCM");

**WITNESSETH**

**WHEREAS,** the Counterparty and GSCM are parties to that certain Interest Rate and Currency Exchange Agreement and Credit Support Annex dated as of October 17, 1990 (the "Swap Agreement"); and

**WHEREAS,** the Counterparty and GSCM desire to modify and amend certain of the terms and provisions of the Swap Agreement schedule;

**NOW, THEREFORE,** the parties agree as follows:

1. The parties agree that Paragraph (b)(ii)(E) of Paragraph 13 of the Credit Support Annex is amended to read in its entirety as follows:

(ii) **Eligible Collateral:** The following items will qualify as "Eligible Collateral" for the Party Specified:

| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (E) | negotiable debt obligations which are issued and/or guaranteed as to both principal and Interest by the Federal Home Loan Mortgage Corporation ("FHLMC"), The Federal National Mortgage Association ("FNMA"), or the Government National Mortgage Association ("GNMA"), Including Mortgage-backed securities and REMICs (collectively, "Agency Securities"), but excluding interest only securities, principal only securities and residual interests. | X | X | 98% |

2. The parties agree that Paragraph (h) of Paragraph 13 of the Credit Support Annex is amended to read in its entirety as follows:

"(h)" **Distributions and Interest Amount**

(i) **Interest Rate.** The Interest Rate for any day means the Federal Funds Overnight Rate. For the purposes hereof, "Federal Funds Overnight Rate" means, for any day, an interest rate per annum equal to the rate published as the Federal Funds Effective Rate that appears on Telerate Page 118 for such day.

3. Both parties agree that the representations set forth in Section 3 of the Swap Agreement and in the schedule thereto will be deemed to be repeated on the date hereof as if set forth in full herein and that all references therein to the Agreement shall be deemed to refer to this Amendment.

4. As specifically modified by this Amendment, all of the terms and provisions of the Swap Agreement are hereby reaffirmed in every respect and shall remain in full force and effect.

**5. This Amendment will be governed by and construed in accordance with the law of the State of New York.**

6. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**IN WITNESS WHEREOF,** the parties have caused this Amendment to be executed and delivered by their respective authorized officers as of the date appearing in the first paragraph above.

**AIG FINANCIAL PRODUCTS CORP.**

By: Kathleen M. Furlong
Name:
Title:

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

**GOLDMAN SACHS CAPITAL MARKETS, L.P.**
By: Goldman Sachs Capital Markets, L.L.C.
General Partner

By:
Name: Michael H. Siegel
Title: Vice President

MA10479

# AMENDMENT AGREEMENT

dated as of 16 November 2006 among:

**AIG FINANCIAL PRODUCTS CORP. (*AIG-FP*)**

AND

**GOLDMAN SACHS CAPITAL MARKETS, L.P.**

## 1. Amendment

With effect from 16 November 2006, the parties hereto agree to amend the Schedule to the ISDA Interest Rate and Currency Exchange Agreement dated as of 17 October 1990 as follows:

(a) in Part 4(5) of the Schedule, the notice details for AIG-FP are replaced in their entirety with the following:

| | |
|---|---|
| "Address: | AIG Financial Products Corp.<br>50 Danbury Road<br>Wilton, Connecticut 06897-4444<br>USA |
| Attention: | Chief Financial Officer (with a copy to the General Counsel) |
| Facsimile No.: | +1(203) 222-4780 |
| Telephone No: | +1(203) 222-4700"; and |

(b) the following is added as a new paragraph at the end of Part 5 of the Schedule:

**"Waiver of Jury Trial Right**

EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING. Each party hereby (i) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph."

## 2. Definitions.

Terms defined in the ISDA Interest Rate and Currency Exchange Agreement as published in 1987 by the International Swaps and Derivatives Association, Inc., (the ***1987 ISDA Agreement***) are used herein as so defined, unless otherwise provided herein.



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## 3. Representations and Warranties.

On the date of this Agreement, each of the parties makes to the other those representations and warranties set forth in Section 3(a) of the 1987 ISDA Agreement with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Agreement alone.

## 4. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

## 5. Costs and Expenses.

The parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation and execution of this Agreement.

## 6. Amendments.

No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

## 7. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New York.

## 8. Jurisdiction.

The terms of Section 13(b) of the 1987 ISDA Agreement shall apply to this Agreement with references in such Section to "this Agreement" being deemed references to this Agreement alone.



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**IN WITNESS WHEREOF** the parties have executed this Agreement on the respective dates specified below with effect from and including 16 November 2006.

AIG FINANCIAL PRODUCTS CORP.

By: .....
Name: Jonathan Liebergall
Title: Managing Director
Date: November 16, 2006

GOLDMAN SACHS CAPITAL MARKETS, L.P.

By: .....
Name: SUSAN RUDOV
Title: VICE PRESIDENT
Date:



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